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SECURITY RELATIONSHIPS IN SOUTHERN ASIA: DIFFERENCES IN THE INDIAN AND AMERICAN PERSPECTIVES

Raju G. C. Thomas*

RELATIONS BETWEEN India and the United States have received considerable attention in the past from Indian and American scholars. Assessments of the relationship have invariably noted the lack of political cooperation, and at times open hostility, between the two countries. While well-wishers on either side have also emphasized some of the positive aspects of the relationship, certain underlying cross-currents have nevertheless prevented the development of a firm and long-term cooperative relationship.

Reasons for the general lack of cordiality between India and the United States have hitherto been sought in three areas: (a) the clashing personalities of national leaders and diverging foreign policy goals they have sought; (b) the contrasting national characteristics of Indians and Americans together with certain negative images they have formed of each other; and (c) strategic conditions that make for incompatible bed-fellows leading to periodic friction. The first explanation focuses on the political leaders and their parties in the two countries, which tend to pursue foreign policies that are opposed to each other.¹ Much has al-

* The author wishes to thank the Ford Foundation and Harvard University's Center for Science and International Affairs for their research assistance in writing this article.

¹ Some partial interpretations along these lines may be found in Marcus F. Franda, "America and Pakistan: The View from India," *American Universities Field Staff Reports* (South Asia Series), 19:3 (March 1975); Norman D. Palmer, "Indo-American Relations: The Politics of Encounter," *Orbis*, 23:2 (Summer 1979), pp. 403-420; Baldev Raj Nayar, "Treat India Seriously," *Foreign Policy*, No. 18 (Spring 1975), pp. 133-154; and Surjit Mansingh, "India and the United States," in B. R. Nanda, ed., *Indian Foreign Policy: The Nehru Years* (Honolulu: University of Hawaii Press, 1976), pp. 150-169.

ready been said of the anti-Indian policies of Dulles, Nixon, and Kissinger, and of the anti-American policies of Nehru, Krishna Menon, and Indira Gandhi. According to this explanation, leaders of the Republican party in the United States and the Congress party in India have deliberately followed policies that were likely to result in poor relations between the two countries. On the other hand, Democratic party leaders such as John Kennedy and James Carter and Janata Party leaders such as Morarji Desai have pursued policies that emphasize cooperation between India and the United States.

The second explanation points to the broader and more intangible source of the problem to be found in the differing historical experiences and philosophical outlooks of the two states² that contribute to clashing "styles" in the making and conduct of foreign policies. The problem here is four-fold. First, the Indian nationalist struggle against the British was unlike the American war of independence. The Indian struggle was against European colonial rulers who established an alien racial dominance over the subcontinent. The Cold War between the "free world" and the communist world subsequently was perceived by India to be between a group dominated by ex-colonials and states that had no major colonial history in the Afro-Asian world. Consequently, India saw the Cold War dividing line as quite thin. Second, the American protestant-capitalist ethic based on hard work and the profit motive stood in contrast to the lower position of the trading occupation and the higher position of non-materialistic religious and intellectual pursuits in the traditional Hindu social hierarchy. Socialist ideas therefore found sympathy more easily in Indian intellectual circles than did the propagation of freedom, which included the promotion of private economic gain.³ Third, as Surjit Mansingh notes, Americans take a more direct and "hard hitting" approach in resolving issues while the Indians use a more subtle and "oblique" approach.⁴ According to this view, Americans see problems and solutions in black and white (e.g., communism versus the "free world" and military alliance strategies); Indians see them in shades of grey (e.g., the rejection of bipolarity and non-alignment strategies that have moved from neutrality to temporary quasi alignments).

² For a discussion of the impact or the relevance of such sources of behavior, see W. Norman Brown, *The United States and India, Pakistan, Bangladesh* (Cambridge, Mass: Harvard University Press, 1973), pp. 392-397; Norman D. Palmer, *South Asia and United States Policy* (Boston: Houghton Mifflin, 1966), pp. 7-11; Leo E. Rose, "The Foreign Policy of India," in James N. Rosenau, Kenneth W. Thompson, and Gavin Boyd, *World Politics* (New York: The Free Press, 1976), pp. 199-221.

³ Daniel Moynihan, however, feels that "socialist" ideas were part of the British legacy to Indian intellectuals who were enamoured by the views of Fabian socialists, especially those of Harold Laski at the London School of Economics. See Daniel Moynihan, "The United States in Opposition: A Basis for Accommodation," in Steven L. Spiegel, *At Issue: Politics in the World Arena* (New York: St. Martin's Press, 1977), pp. 88-95.

⁴ Surjit Mansingh, "India and the United States," p. 157.

Finally, all of the above factors have tended to produce in both Indians and Americans certain negative images of each other. Americans perceive Indians as prone to engaging in unreasonable controversies and indulging in double standards in the conduct of foreign policy. Examples of such Indian conduct would include India's claim to being nonaligned while signing the Indo-Soviet treaty in 1971; the willingness to use force to resolve the Goa and Bangladesh issues while preaching peaceful coexistence; and conducting an atomic test in 1974 while calling it a "peaceful nuclear explosion." Conversely, Indians perceive Americans to be economically arrogant, militarily aggressive, and lacking in foreign policy finesse. Examples of such American conduct would include the perpetuation of the Cold War in the name of freedom while supporting several "fascist" states throughout the world; the provocation of arms races in various regions to protect its own self-interest; and the interference and infliction of extreme violence in the civil wars of Korea and Vietnam.

These two explanations may appear exaggerated to some and convincing to others. Much will depend on the political and personal outlooks of the observer on both sides. The purpose of this article, however, is not to accept or refute these specific or intangible assessments. Instead, it will be suggested here that leadership differences and foreign policy formulation based on personal idiosyncracies, as well as contrasts perceived in national characters and the resultant negative mutual images, are primarily the outcome of conflicting global and regional strategic interests. In other words, radical differences as suggested above need not produce antagonistic foreign policies. More often such policies and attitudes stem from the security concerns of nations. For example, the extreme hostility between the United States and China in the 1950s—two nations that were culturally and ideologically poles apart—was followed by cordiality in the 1970s. Indeed, the new Sino-American ties were established by Richard Nixon and Mao Zedong, leaders who were at one time virulently anti-communist China and anti-capitalist America, respectively. Similar ties of cooperation and cordiality may be seen between Pakistan and China, and India and the Soviet Union, nations that have little in common ethnically, culturally, or ideologically.

The basic problem of Indo-American relations lies in the divergent security interests of the two states in Southern Asia. While the United States takes a global perspective on security relationships in the region, India perceives problems from a regional and national security standpoint. Baldev Raj Nayar is at least right in part when he claims that "at the heart of the problem between the United States and India has been a fundamental strategic conflict, making them adversaries."⁵

⁵ Baldev Raj Nayar, *American Geopolitics and India* (Columbia, Missouri: South Asia Books, 1974), p. 4. Nayar, however, further argues that beyond a strategic conflict of interests, there was a deliberate American policy to contain and subdue India. This allegedly arose from the American desire to dictate the structure of the

The resultant conflict of interests may be seen in the earlier American arming of Pakistan under the SEATO and CENTO defense pacts to counter the Sino-Soviet communist threat, and the more recent proposals and attempts to arm Pakistan and China in response to the Soviet invasion of Afghanistan. Such American policies resulted in the erosion of Indian security.

The roots of such Indo-American conflict of interests are not based on direct threats to each other. Instead, the underlying reasons for such differences are to be found in four interrelated problem areas. First, the problem lies in the nature of the "core" security relationship in the region between India and Pakistan. The fundamental antagonism here has defied American (or any other) mediatory efforts and has tended to complicate the conduct of American global strategy. Second, there exist deep-rooted differences in the approaches of the two sides in resolving international security issues. While the United States appears to follow a "balance-of-power" approach, India professes a commitment to "non-alignment" and "peaceful coexistence." Third, the various threat issues in Southern Asia and the American security approach produce what may be called an American perceptual syndrome regarding the security problems of the region. Fourth, the conduct of American policy in the region based on this syndrome causes certain serious security consequences for India. This then ultimately explains the periodic friction in Indo-American relations leading to opposing foreign policies and mutual negative images. In order to understand the underlying basis of the problem, these four interrelated factors therefore need to be analyzed further. This article will then conclude by attempting to reconcile the differing analytical approaches of the two sides.

Security Relationships and Alignment Strategies

Central to the various security relationships in the region are the conflicting postures of India and Pakistan. Of importance but of a secondary nature are the related conflicting postures of India and China, and Pakistan and Afghanistan. Other security concerns of varying degrees also exist in Bangladesh, Nepal, Bhutan, and Sri Lanka, which face the prospect of domination by either India or China. To complete the picture, there are also insurgencies and separatist movements in India and Pakistan that aggravate the security problems of the region.

It should be clear that the economic and military capabilities of the antagonistic states in the region are uneven. There are imbalances

international security system to both allies and foes alike. Middle powers were seen as the subject of such a policy rather than independent policy centers. "However, U.S. foreign policy has repeatedly encountered stubborn resistance in India, rooted in India's self-perception as a potential major power in its own right, fueled by Western colonial rule, but moderated from time to time by India's realization of present capabilities." See Nayar, "Treat India Seriously," p. 135. An opposing view was subsequently expressed in a letter by William J. Barnds and W. Howard Wriggins to *Foreign Policy*, No. 20 (Fall 1975), pp. 250-251.

between India and Pakistan, India and China, and Pakistan and Afghanistan.⁶ These unequal relationships have been resolved in the past—especially during crisis conditions—by alignment strategies. Pakistani efforts to correct the Indo-Pakistani imbalance have included the search for military assistance and support from the United States, China, Western Europe, the Soviet Union, and some of the Islamic states of the Middle East. Pakistan's greatest success has been with China from which state it has received considerable military assistance and diplomatic support to pursue its confrontation with India over Kashmir. Indian efforts to correct the Sino-Indian imbalance have included the search for military sales and diplomatic support from the United States, the Soviet Union, and Western Europe. India has achieved considerable success in this regard with the Soviet Union. Likewise, Afghanistan has received political support or military assistance from the Soviet Union and India in order to pursue its policy of confrontation with Pakistan. Following this pattern, a future security issue could be one between Bangladesh and India which might compel the government in Dacca to seek military assistance from Pakistan and China. Such alignment tendencies at the regional level appear ultimately linked to great power strategy at the global level. The imbalance between China and the Soviet Union together with increasing American concern about the growth of Soviet military power have produced economic, technological, and military cooperation between China and the United States.

What is evident in most of these alignment strategies is the prevalence of the classic balance-of-power principle of Kautilya, the 4th century B.C. Indian political writer: "an enemy of my enemy is my friend." These security relationships and alignment strategies may be more clearly seen when expressed in the abbreviated form in Table 1.

The pattern of such past, present, or potential relationships needs to be qualified by the following observations. First, the intensity of some of these conflicting postures have either mellowed or even changed. Current relations between India on the one hand, and Pakistan and China on the other, have considerably improved. This does not, however, negate the continued prevalence of certain geostrategic conditions that are likely to determine their relations during times of crisis. Second, the interests of the great powers in the region have also varied. American, Soviet, and Chinese support for either India or Pakistan over the last 30 years has undergone changes and displayed varying degrees of intensity. Such support and interest in the past have often depended on regional conditions and the nature of the prevailing relationship in the Moscow-Beijing-Washington triangle. Chinese interests and involvement in the region, for example, have been affected by the 1962 Sino-

⁶ Military balances tend to be subjective estimates. A mere counting of forces and weapons would be inadequate because of varying security concerns and qualitative differences in weapons systems. A general listing of capabilities may be examined in the annual *Military Balance* (London: International Institute for Strategic Studies.)

TABLE 1: Conflict Postures and Alignment Strategies

A. Conflict postures within, or of relevance to, Southern Asia

<i>Regional</i>	<i>Global</i>
IND-PAK	USA-USSR
IND-CHN	USA-CHN (before 1971)
PAK-AFG	CHN-USSR (since 1963)
CHN-VTM	
BGD-IND (potential)	

B. Conflict postures and alignment tendencies based on balance-of-power principles

	<i>Interrelated Conflict Postures</i>		<i>Alignment Tendencies</i>
Past/Present	PAK-IND, IND-CHN	therefore	PAK + CHN
	IND-CHN, CHN-USSR	"	IND + USSR
	AFG-PAK, PAK-IND	"	AFG + IND
	CHN-USSR, USSR-USA	"	CHN + USA
	VTN-CHN, CHN-USSR	"	VTM + USSR
	VTM-CHN, CHN-IND	"	VTM + IND
Potential:	BGD-IND, IND-PAK	"	BGD + PAK
	BGD-IND, IND-CHN	"	BGD + CHN

C. Actual or potential alignment groups in Southern Asia

Group One:	PAK, CHN, USA, BGD
Group Two:	IND, USSR, AFG, VTM

Indian war, the Sino-Soviet split in 1963, and the Sino-American diplomatic breakthrough in 1972. Third, the absence of formal military alliances among most of these states who see their security interests as falling together does not rule out the existence of varying degrees of informal alignments both political and military. Indian nonalignment, for instance, must be seen in the context of the political and military purposes underlying the 1971 Indo-Soviet treaty. Similarly, despite the absence of formal military alliance between the U.S. and China, other involved states are compelled to formulate their policies as though such an alliance exists. Finally, it should be apparent that the intensity of these alignments depends on the intensity of the issues and the commonality of interests among the various states. Present confrontations and alignment tendencies could change over time.

Analytical Approaches: Balance of Power Versus Peaceful Coexistence

The preceding analysis of conflict postures and alignments suggests that the states of Southern Asia, or those involved therein, tacitly act along classic balance-of-power principles. There is, however, a distinction to be made between some states following a deliberate balance of power policy to maintain security as against some who may be unwilling participants in the system. Thus, Indian politicians and analysts have

constantly claimed that the U.S. has attempted to maintain a loose balance of power between India and Pakistan thereby provoking an arms race on the subcontinent. Moreover, the American regional balance of power policy is perceived to be part of a similar strategy at the global level. Indian analysts such as Baldev Raj Nayar have asserted that the American structure of world security is based on a configuration of regional military balances all of which are tied to the global military balance between the U.S. and the Soviet Union.⁷ On the other hand, balance of power politics has been perceived by Indian leaders and analysts as heightening regional and global tensions, encouraging the politics of confrontation, and invariably leading to war.⁸

One of the major Indian complaints against the American approach was that it often called for the military equation of states that were otherwise unequal in size, population, and resources. With external military assistance from one of the great powers, the weaker state was encouraged to assert its claims over larger states and to follow adventurist military policies instead of acknowledging the realities of the natural but unequal power relationships. In this respect, the Indian rejection of the balance of power approach conforms to A. F. K. Organski's theory that preponderance is more likely to produce peace and stability than military balances. According to Organski, under conditions of preponderance, the weaker state dare not attack, while the stronger state need not attack.⁹ On the other hand, where nations attempt to maintain military balances, there are greater chances of conflict. States may be tempted to resolve territorial disputes by resorting to quick preemptive wars both to gain the military advantage and their territorial objectives. States may also be compelled to resort to force without the hope of territorial gain solely for the purpose of maintaining the military balance. In other words, it is "better to attack now than later" in order to clip the other side's growing military capability before the balance is completely upset. In this context, Organski suggests his corollary "rear-end collision" theory whereby wars are mainly

⁷ See Nayar, *American Geopolitics*, pp. 1-32.

⁸ There are probably even fundamental differences in the teaching of international politics in American and Indian universities. A balance of power approach was rejected by Nehru as early as 1949. See Jawaharlal Nehru, *India's Foreign Policy Speeches: September 1946-April 1961* (New Delhi: Publications Division, Government of India, 1961), pp. 26, 46-47.

⁹ A. F. K. Organski, *World Politics* (New York: Alfred A. Knopf, 1968), p. 294. The Chinese, on the other hand, are claimed to resist such a hegemonic approach, although it is not clear whether they endorse a balance of power approach either. The historical Chinese security system, however, consisted of China as the middle kingdom with smaller tributary states on the periphery. For two assessments regarding China's attitude towards Soviet hegemony, see Joachim Glaubitz, "Anti-Hegemony Formulas in Chinese Foreign Policy," *Asian Survey*, 16:3 (March 1976), pp. 205-215; and Shirin Tahir-kheli, "Chinese Objectives in South Asia: Anti-Hegemony Versus Collective Security," *Asian Survey*, 18:10 (October 1978), pp. 996-1012. For an assessment of Chinese policy in South Asia, see Mohammad Habib Sidky, "Chinese World Strategy and South Asia: The China Factor in Indo-Pakistan Relations," *Asian Survey*, 16:10 (October 1976), pp. 965-980.

caused by rising small or middle powers attempting to overtake the preponderant power. Explanations for the Indo-Pakistani wars, Arab-Israeli wars, and Somalian-Ethiopian war may well fit into this theoretical framework.

In contrast to the American security approach, the declared Indian approach—as against, perhaps, consistent practice—has been the promotion of world security through nonalignment and peaceful co-existence. From the Indian standpoint, Indian preponderance in South Asia should not affect Pakistan's security. Declarations of intent or the signing of documents such as a "no-war" pact or a treaty of "peaceful coexistence" carries better chances of producing peace and stability than attempts by external major powers to maintain military balances between two states of unequal size and power potential. For India, American efforts to maintain military balances in the Third World between states with territorial or other political disputes tend to be both immoral and dangerous because they encourage arms races among nations that should be concentrating on economic development. In addition, these efforts make Third World nations dependent on great power military aid and political support in their regional struggle for security.

Such views have been stated and reiterated by successive Indian leaders from Jawaharlal Nehru to Morarji Desai, and were restated in October 1979 by then Indian Defense Minister C. Subramaniam. Subramaniam noted the few great powers that managed the stability of the entire international system through the balance of power approach, and declared that this was "totally repugnant to the principle of liberation and decolonization."¹⁰

The Indian argument based on peace through preponderance may generally be substantiated by pointing to Indo-Pakistani relations before and after the war of 1971, which resulted in the separation of Bangladesh from Pakistan. Before 1971, Pakistan was not only unwilling to settle for anything less than the valley of Kashmir, but it was also prepared to seek opportunities to wrest Kashmir away by force. Cries of "jihad" were perennial in Pakistan in the pre-1971 period and were climaxed by Zulfikar Ali Bhutto's promise to fight a "thousand year" war with India. On the other hand, Pakistani defeat and the emergence of East Pakistan as the state of Bangladesh, ironically, produced greater peace and stability on the subcontinent. Even Bhutto became more restrained and accommodating when he signed the Simla Agreement in 1972 in which both sides agreed to settle all outstanding issues by peaceful methods. Although Pakistan continues to claim Kashmir, its demands have become much less bellicose. The Indian argument may be further demonstrated by pointing to India's relations with

¹⁰ "India's Defense Strategy in the next Decade." Transcript of address delivered by Shri C. Subramaniam, Union Defence Minister, to the Officer Students of the National Defense College, New Delhi, on October 29, 1979, p. 12.

the other weaker states in the region—Bangladesh, Sri Lanka, Nepal, and Bhutan. There have been various disputes with these states (such as the Farrakha Dam question with Bangladesh and the Tamil minority issue with Sri Lanka), but the absence of military balances with these states has not produced extreme tensions or conflict conditions as with Pakistan over Kashmir.

Arguments that have been advanced against Organski's theory of preponderance would, of course, broadly apply to the Indian position as well. The main contention has been that under conditions of preponderance, the independence and sovereignty of the weaker state would depend on the benevolence of the stronger state. The smaller state's ability to conduct an independent foreign policy would be undermined because it could at any time be occupied by the larger state unless it is protected by a military balance or allied countervailing power. Pakistani efforts to maintain South Asia as a nuclear-free zone or, alternatively, to develop an "Islamic bomb" reportedly in cooperation with Libya, Niger, and or Saudi Arabia, are indications of the continued fears of Indian dominance. Pakistan's lack of enthusiasm for the proposal to declare the Indian Ocean a "zone of peace" also rests on the potential of Indian dominance in the region if the U.S. naval presence were to be withdrawn.¹¹

Similar fears would also exist among other states of the region whether they choose to follow a balance of power policy or not. If their disputes are not critical, their relations with India will follow the pattern of Mexican-American or Canadian-American relations. On the other hand, if their disputes with India are critical, i.e., they feel that efforts to assert their claims are likely to lead to subtle military threats, then their strategy will more likely follow the pattern of Cuban-American relations. This tendency may be seen in the case of current Indo-Bangladeshi relations. While the disputes between India and Bangladesh are perhaps less critical now than a few years ago, there are several persistent sources of friction over territorial sea and river waters, trading privileges, and the influx of Bangladesh citizens into Assam. These could prove to be the flashpoints of conflict in the future. Not surprisingly, Bangladesh is seeking a closer relationship with Pakistan and China.¹² Similarly, Nepal has played a game of delicate diplomatic maneuvering between India and China so as to maintain its indepen-

¹¹ According to Seymour Weiss, the U.S. State Department's Director of the Bureau of Political-Military Affairs, in testimony given before Congress, both Pakistan and China favor the establishment of a U.S. naval base at Diego Garcia. See United States Congress, House of Representatives: Committee on Foreign Affairs, *Proposed Expansion of U.S. Military Facilities in the Indian Ocean*. Hearings before the Subcommittee on the Near East and South Asia, February 21 to March 6, 1974 (Washington, D.C.: U.S. Government Printing Office, 1974), pp. 21-49. For a discussion of its impact on India, see Raju G. C. Thomas, "The Indian Navy in the Seventies," *Pacific Affairs*, 48:4 (Winter 1975-76), p. 500-518.

¹² See the *Tribune* (India), July 30, 1979; the *Financial Express* (Bombay), July 22, 1979; and the *Bangladesh Observer* (Dacca), July 16, 22, and 25, 1979.

dence. Finally, such examples in the region as the absorption of Tibet into China and Sikkim into India, and the Soviet invasion of Afghanistan (no matter what the political and legal arguments of China, India, and the Soviet Union) demonstrate the vulnerability of smaller political entities where no balance of power conditions prevail.

It is interesting that while India has generally condemned American efforts to perpetuate what one writer called that "pernicious doctrine called the balance of power," its security against China has implicitly been dependent on a quasi-alliance relationship with the Soviet Union.¹³ Ever since "peaceful coexistence" was discredited in 1962 when the Chinese threat was clearly established, defense against China has not rested on ten mountain divisions alone. Unable or unwilling to maintain a military balance against China at all levels—ground, air, and nuclear—the ability to fall back on one or both of the superpowers has been one of the implicit mainstays of Indian defense policy since 1962. Indeed, official rhetoric aside, the practice of Indian security policy has conformed more closely to balance of power principles than to peaceful coexistence.

U.S. Security Perceptions in Southern Asia

As one might expect, security perspectives and policies of nations tend to be influenced by the analytical approach that is adopted. Defining the nature of threats and formulating appropriate policy responses can vary depending on whether the policy-maker sees problems and solutions within a "balance of power" or "peaceful coexistence" framework. Accordingly, within the framework of the American analytical approach, security problems in Southern Asia were perceived to fall into two basic categories: intrusive threats emanating from across the subcontinent because of Chinese and Soviet involvement in the region; and core threats within the subcontinent, especially those between India and Pakistan.¹⁴ Note that the importance of the core security threats was both dependent and subordinate to American global security interests. Consequently, the allegedly anti-Indian tendencies in American foreign policy arose either because of the inadvertent regional effects of efforts to maintain a global military balance or from benign neglect during phases when South Asia was perceived to be of little importance to American global strategy.

Thus, American security policy in Southern Asia was initially form-

¹³ Observation made by Inder Malhotra in the context of American efforts to thwart the sale of the Swedish *Viggen* aircraft to India in the *Times of India*, October 18, 1978.

¹⁴ Barnds categorizes the involved states in Southern Asia into "core," "peripheral," and "intrusive" members. The core members are India, Pakistan, and Bangladesh; the peripheral members are Sri Lanka, Nepal, Bhutan, and Afghanistan; and the intrusive members are the Soviet Union, China, and the United States. See William J. Barnds, "Regional Systems: South Asia," in Rosenau, Thompson, and Boyd, eds., *World Politics*, pp. 504-512.

ulated in the larger framework of a monolithic communist threat to the "free world." Attempts were made in the 1950s to draw both India and Pakistan into anticommunist alliance networks. Pakistan responded positively and joined the 1954 SEATO and 1955 Baghdad (later CENTO) defense pacts. On the other hand, India under Nehru rejected the American offer, which was perceived to carve the world into two armed camps. Instead, Nehru insisted that security was best maintained through a policy of nonalignment and declarations of peaceful coexistence.¹⁵

The positive Pakistani response enabled it to receive some \$730 million in offensive military equipment which included M-47/48 *Patton* tanks, and F-86 *Sabre* and F-104 *Starfighter* combat aircraft.¹⁶ Another \$1.3 billion was provided in logistical support systems in the form of communications equipment and training programs. Subsequently, the 1962 Sino-Indian war briefly drew India into the American orbit when the Kennedy administration provided India with some \$85 million in military aid in the form of light mountain guns, transport planes and helicopters, and winter clothing.¹⁷ Strong objections from Pakistan kept U.S. military aid limited, and with the outbreak of the 1965 Indo-Pakistani war, military aid to both countries was discontinued. Thereafter the basic Indo-Pakistani antagonism and threats to each other were perceived to defy American mediation, but fortunately also to be of minor relevance to problems of global security. This attitude prevailed until the Soviet invasion of Afghanistan in December 1979 when the importance of the region was substantially revalued. In response to the Afghan crisis, approximately \$400 million in immediate economic and military aid were offered to Pakistan by the Carter administration while the cooperation and understanding of India were simultaneously sought.¹⁸ Subsequently, in 1981 the Reagan administration proposed \$400 million in annual military aid to Pakistan for a period of five years.

Apart from these cases, there were special and occasional American interests in Pakistan because of its links with the Islamic world and close ties with China. These connections have carried some benefits to the United States. Pakistan's ties with China, for instance, provided Secretary of State Kissinger and President Nixon the diplomatic channel to Beijing in 1971-1972. Through all of these policy variations, the

¹⁵ For a discussion, see Raju G. C. Thomas, "Nonalignment and Indian Security: Nehru's Rationale and Legacy," *Journal of Strategic Studies*, 2:2 (September 1979), pp. 153-171.

¹⁶ Testimony given by Townsend Hoopes, Principal Deputy Assistant Secretary of Defense for International Security, to the Senate Subcommittee on Near Eastern and South Asian Affairs, U.S. Senate, 19th Congress, First Session (Washington, D.C.: Government Printing Office, 1967.)

¹⁷ The figure of \$85 million was obtained from Williams J. Barnds, *India, Pakistan and the Great Powers* (New York: Praeger Publishers, 1972), p. 323.

¹⁸ See *New York Times*, January 1 and 6, 1980; and *Times of India*, January 8, 1980. President Zia ul-Haq, who called this offer "peanuts," subsequently rejected the offer on the grounds that it would only invite the hostility of the Soviet Union without bringing Pakistan much security.

core problem in South Asia, as perceived by the United States, remained the basic threats India and Pakistan posed to each other. The roots lay in the uncompromising differences between Hindus and Muslims that have existed over centuries on the Indian subcontinent. Indo-Pakistani conflicts were therefore interpreted as essentially the old Hindu-Muslim struggle raised to the level of an international conflict in August 1947 with the independence and partition of the subcontinent.

While threats to India were perceived to arise mainly over the unresolved issue of Kashmir, threats to Pakistan were seen to arise from Indian irredentism. Pakistani security fears were based on the belief that India has never really accepted the creation of the new Islamic state and would seek opportunities to absorb it back into a "greater India." Such core threat concerns on the subcontinent were additionally seen to be compounded by Indian and Pakistani underground aid to each other's separatist movements and internal divisive forces. Indian complaints of Pakistani assistance to Naga and Mizo separatist movements in the northeast as well as efforts to inflame Hindu-Muslim communal riots in India are matched by Pakistani complaints of Indian assistance to the successful East Pakistani separatist movement in 1971 and the continued encouragement of Baluchi and Pathan separatism in the northwest. The ability of both states to threaten each other from within, as it were, should be apparent, although this ability in the case of Pakistan has been partly reduced with the creation of Bangladesh out of East Pakistan.

This then has been the general perception in Washington of security problems on the subcontinent. Needless to say, the core security relationship between India and Pakistan has been reasonably drawn. The nature and extent of the intrusive threats may appear somewhat more debatable, especially the Soviet threat to Pakistan from the Indian standpoint, and the Chinese threat to India from the Pakistani standpoint. The American arming of Pakistan in the 1950s was undertaken with the Soviet army nowhere in sight across the Hindu Kush, while the Chinese threat to India has been largely discounted in the United States recently, especially with the commencement of the new Sino-American ties since 1971. American policy-makers and analysts are now more inclined to view the Chinese threat to India as purely a redundant border controversy provoked in the past mainly by Nehru's "forward policy" between 1959 and 1962.¹⁹ However, while China is now

¹⁹ The revised assessment of the border conflict was mainly projected by Neville Maxwell in his *India's China War* (New York: Pantheon Books, 1970). While this author does not dispute the fact that poorly equipped Indian troops may have fired the first shots that triggered the 1962 Sino-Indian war, Maxwell's explanation does not adequately clarify the underlying causes of the border controversy. A more authoritative and objective analysis is provided by Allen S. Whiting in his *The Chinese Calculus of Deterrence: India and Indochina* (Ann Arbor: University of Michigan Press, 1975). According to Whiting, "Chinese warnings were erroneously dismissed as either without serious basis or consequence while Indian statements designed for domestic purposes were taken in Peking as proof of belligerent intent. This phenomenon did not cause the final clash but it contributed to the escalatory process." *Ibid.*, p. xv.

considered to have no territorial designs on India, an indirect threat may exist from its attempts to aid its ally Pakistan.

American assessments during both the 1965 and 1971 Indo-Pakistani wars have generally followed the above interpretation. The Johnson response to the 1965 war was to enforce an arms embargo to the subcontinent. Implicit in this move at the time was the view that direct military intervention in the region by the Soviet Union and China was unlikely. An arms embargo would, therefore, reduce the destructive capabilities of both sides as well as maintain the balance of power on the subcontinent at a lower level. Such a policy would also enable the U.S. to avoid involvement in the frustrating dispute between two states, neither of which were then perceived to be of much economic, political, or strategic value. Similarly, the Nixon-Kissinger response to the 1971 war was again one of extreme annoyance at a time when their momentous China policy was being devised.²⁰ However, because General Yahya Khan, the president of Pakistan, had provided the secret diplomatic access to Beijing to produce the breakthrough in Sino-American relations, there was considerable personal sympathy for Pakistan on the part of the two American leaders. Besides, China was allied with Pakistan and any alienation of the communist leaders in Beijing at this juncture was to be avoided. Hence the Nixon-Kissinger reaction to Indian demands to resolve the military repression of the East Pakistani rebellion and the flight of millions of refugees to India was slow and hesitant.

All of these conditions have led to an American perceptual syndrome of security relationships in Southern Asia—at least until events in Iran and Afghanistan in 1979 modified it. This syndrome may be summarized as follows: (1) The core problem in South Asia was seen to be the threats Muslim Pakistan and Hindu India posed to each other; (2) The region carried no vital economic, political, or strategic value to the United States; (3) The limited intrusive threats to India from China, and to Pakistan from the Soviet Union, were seen to check one another; (4) Major hostilities on the subcontinent were likely to be confined to the core relationship between India and Pakistan with supporting military assistance from the Soviet Union and China, and direct military intervention by the intrusive powers was unlikely; (5) Only a marginal role in the region was seen to be required of the U.S. so that whatever imbalances existed between the Sino-Pakistani and Indo-Soviet relationships could be corrected; and (6) Since nuclear threat to India from China did not exist or was greatly exaggerated, there was no justification for India to embark on a nuclear weapons program.

Undoubtedly, some of these perceptions have been modified since 1979. Islamic revivalism and the growing solidarity between Pakistan and some of the oil-rich states of the Middle East, the fall of the Shah and the general failure of American policy in Iran, and the Soviet in-

²⁰ See Nayar, "Treat India Seriously," pp. 146-150.

vasion of Afghanistan, have all suddenly increased the importance of the subcontinent, and especially Pakistan, in the calculus of American global strategy to counter Soviet moves in the region. The Carter administration initially perceived the invasion as the prelude to a wider Soviet design in Southwest Asia, a belief that is today more firmly held by the Reagan administration. According to some American assessments, Soviet backing of the Baluchi separatist movement would bring it within reach of the Indian Ocean through Afghanistan, while the continued subjugation of Afghanistan would facilitate a Soviet military thrust towards the oil fields of the Persian Gulf states.²¹

Security Consequences for India

The basic point thus far has been that the U.S. was primarily concerned about global threats to the region from international communism or the Soviet Union and secondarily concerned about Indian and Pakistani threats to each other. As already discussed, a policy of generating or maintaining military balances has been the general American method of resolving or coping with the security problems at both levels. However, the implication of maintaining a military balance on the subcontinent was that any attempt by India to take into account security concerns that arose from beyond the subcontinent was seen as jeopardizing the security of Pakistan. The policy may be seen especially in the case of aircraft procurement. For instance, after the 1962 Sino-Indian war, the U.S. refused to sell the F-104G *Starfighters* to India—or, for that matter, any other form of offensive military equipment—on the grounds that this would affect the security of Pakistan.²²

More recently, the Indian decision to acquire a “deep penetration strike aircraft” was viewed as affecting the security of Pakistan despite various American declarations since the creation of Bangladesh in 1971 that the U.S. accepted the predominance of India on the subcontinent. Yet, negotiations by India to acquire the Swedish Saab-37 *Viggen* were thwarted by Secretary of State Vance because the aircraft carried the American Pratt and Whitney engine.²³ The Swedish sale of the *Viggen* to India, Washington felt, would have indirectly upset the military equilibrium on the subcontinent. Following the Indian decision to acquire the Anglo-French *Jaguar* fighter-bomber in October 1978, there were inconclusive discussions in Washington on the sale of American A-7 *Corsair* fighter-bombers and the F-5E fighters to Pakistan in order

²¹ See various assessments by Drew Middleton, Richard Burt, Bernard Gwertzman, Terrence Smith, and Eric Pace, in the *New York Times*, December 20, 23, and 27, 1979; January 9, 11, 24, and 25, 1980; and February 2, 1980.

²² See Raju G. C. Thomas, *The Defence of India: A Budgetary Perspective of Strategy and Politics* (New Delhi: The Macmillan Company, 1978), pp. 186–191.

²³ Raju G. C. Thomas, “Aircraft for the Indian Air Force: The Context and Implications of the Jaguar Decision,” *Orbis*, 24:1 (Spring 1980), pp. 85–101.

to offset the new Indian aircraft acquisition.²⁴ Similarly, outside of aircraft procurement, the more obvious example would be American efforts to prevent India from becoming a nuclear power despite Indian fears of a nuclear threat from China. Indian nuclear capability would again upset the military equilibrium with Pakistan, which would then probably decide—over American objections—to become a nuclear power itself.

While such American policies do promote the security of Pakistan, the problem is that they restrict the wider security concerns of India beyond the subcontinent and reduce India's pretensions as a major regional power. Not unexpectedly, the U.S. attempt to equate India and Pakistan militarily led in the past to some lop-sided Pakistani images about the "robust" qualities of the Muslim over the "timid" Hindu. One Pakistani soldier has been variously assessed as the equivalent of anything between 5 and 10 Indian soldiers.²⁵ Pakistanis have viewed themselves as the descendants and successors of the invading Muslim conquerors of the Indian subcontinent despite the historical fact that 90% of the subcontinent's Muslims are descended wholly or partly from Hindu converts.

As noted in the previous section, one aspect of the American perceptual syndrome is that the Chinese threat to India is primarily perceived to be indirect and relatively insignificant. While China may have indulged in some verbal threats of military retaliation against India during an Indo-Pakistani war in order to relieve the pressure on Pakistan, such threats are not perceived to constitute a serious nuclear threat to India. One of the notable consequences of this attitude was the American policy of "normalizing" relations with China, which had earlier bordered on a Sino-American military alliance.²⁶ Indeed, the former Indian Minister of Defense, C. Subramaniam, has referred to China as "eastern NATO."²⁷ The sale of military-related technology and the grant of "most favored nation" status to China have the effect of substantially increasing the power of China and the security risks for India. Yet, the effects of this policy on India are generally ignored.

A Sino-American quasi alliance would not only increase Indian dependence on tacit Soviet nuclear guarantees but would also reduce

²⁴ See Inder Malhotra, "The Aeronautics Industry: Implications of the DPSA Deal," *Times of India*, September 21, 1978.

²⁵ See Stephen P. Cohen, "Military Ideology: South Asia," in Frank B. Horton, Anthony C. Rogerson, and Edward L. Warner, *Comparative Defense Policy* (Baltimore: John Hopkins University Press, 1974), p. 76.

²⁶ See Michael Pillsbury, "U.S.-Chinese Military Ties?," *Foreign Policy*, No. 20 (Fall 1975), pp. 50-54; and Raju G. C. Thomas, "Indian Defense Policy: Continuity and Change Under the Janata Government," *Pacific Affairs*, 53:2 (Summer 1980), pp. 224-230. The failure to see the effects on India of Sino-American normalization is probably well reflected in an article by Jonathan Pollack, "The Implications of Sino-American Normalization," *International Security*, 3:4 (Spring 1979), pp. 37-57. There is no mention of India in Pollack's discussion of "implications."

²⁷ C. Subramaniam, "India's Defence Strategy in the Next Decade," p. 19.

the credibility of those guarantees because the two superpowers deter each other with their retaliatory strike or assumed destruction capabilities. That would tend to make potential and veiled Chinese nuclear threats to India appear more credible.²⁸ The argument could be made, however, that during a Sino-Indian confrontation, the U.S. could temporarily withdraw all seeming support for China thereby allowing the Soviets to deter Beijing from engaging in implicit or overt nuclear threats to India. But there is no guarantee that this would happen. Apart from reemphasizing exclusive Indian military dependence on Moscow, which may be undesirable from both Indian and American standpoints, this situation could also lead to the collapse of the budding Sino-American relationship. Such an experience would make China vulnerable to Soviet nuclear threats on other issues unrelated to India. In turn, China could either accelerate the scramble to achieve its own retaliatory strike capability against the Soviet Union or be compelled to compromise its differences with the Soviet Union and perhaps even ally itself with Moscow. Since the U.S. would want to prevent a new Sino-Soviet alliance and continue to maintain its "China card," the situation would raise once again the credibility of Soviet nuclear guarantees on behalf of India in the present Moscow-Beijing-Washington relationship.

Since external nuclear guarantees are suspect, there has consequently been a strong lobby in India which advocates the acquisition of an independent nuclear deterrent against China. Such an Indian objective, however, would bring us back to the core security relationship between India and Pakistan as perceived by the United States. This means that since Pakistan has no nuclear weapons, there is no credible nuclear threat to India from China, especially given the Sino-Soviet nuclear confrontation. On the other hand, if India acquired nuclear weapons, Pakistan would both need and acquire the same. This would touch off a chain reaction to acquire nuclear capabilities around the world with all the increasing and frightening prospects of a nuclear war. Not unexpectedly, the United States perceives nuclear proliferation to begin with India and perhaps for this reason Indian perceptions of the Chinese nuclear threat must be discounted.

A similar but less critical security consequence to India may be seen in American arms sales policies since 1974 in the Middle East. Because of the substantial Western oil interests in the region and the need to reverse the flow of petrodollars from the Gulf states, U.S. policy has been to sell massive amounts of sophisticated weaponry to states

²⁸ For an assessment, see P. R. Chari's "China's Nuclear Posture: An Evaluation," *Asian Survey*, 18:8 (August 1978), pp. 817-828; and Richard K. Betts' two articles, "Incentives for Nuclear Weapons: India, Pakistan, Iran," *Asian Survey*, 17:11 (November 1979), pp. 1053-1072; and "Nuclear Proliferation and Regional Rivalry: Speculations on South Asia," *Orbis*, 23:1 (Spring 1979), pp. 167-184; Onkar C. Marwah, "India's Nuclear and Space Programs: Intent and Policy," *International Security*, 2:2 (Fall 1977), pp. 96-121.

such as Saudi Arabia and Iran (under the Shah), who were perceived to be pro-West and anti-Soviet.²⁹ These arms sales carried potential security risks for India because of Pakistan's efforts (until 1978) to consolidate the CENTO treaty alliance, to establish defense links with Saudi Arabia through the provision of training and manpower assistance, and to set up a wider Islamic defense pact. Again, Indian reservations on such arms transfers—repeatedly expressed in official Defense Ministry reports and elsewhere publicly in the Indian media—have generally been ignored.³⁰ As in the case of China, U.S. arms transfer policies in the Middle East were perceived to have limited security implications for India. On the other hand, any Indian effort to match the American-aided military build-up in the Persian Gulf would bring us back again to the problem of Pakistani security to be maintained through a military balance on the subcontinent.

The net result of this situation is that Indian efforts to overreach Pakistan militarily are either disapproved or countered by increases in Pakistani military capabilities from now mainly Chinese or French sources. It is interesting that the consequences of American regional security perceptions and policies have not been seriously challenged or protested within India because of an important reinforcing Indian self-perception—an internal Indian self-image of an essentially nonviolent and peaceful nation which only resorts to force in self-defense. Gandhian ideals suggest that peace may be achieved through *ahimsa* and the profession of peaceful intentions. This attitude was partly implicit in Nehru's *Panchshil* agreement with China in 1954 whereby five principles of peaceful coexistence were enunciated as the basis for the conduct of relations between the two militarily uneven Asian states. Having declared nonintervention in each other's internal affairs and non-aggression against each other, peaceful coexistence was expected to follow. While Indian practice has not always conformed to this self-image—the Goa and Bangladesh issues were resolved through the use of force—the outlook does appear to have had some self-restraining influence on Indian defense programs and policies. Despite the two-pronged threat perceived from both Pakistan and China, Indian defense expenditures have averaged only about 3% to 3.5% of the GNP in contrast to about 5% to 7% in Pakistan and 10% in China.³¹

One qualification and clarification should be made before this section is concluded. It may be asked, "What about the ten Indian mountain divisions facing China along the Himalayan ranges?" Would this not be India's extra-subcontinental response which the United States

²⁹ See Philip J. Farley, Stephen S. Kaplan, and William H. Lewis, *Arms Across the Sea* (Washington, D.C.: The Brookings Institution, 1978).

³⁰ See the annual *Report, 1974-75* (New Delhi: Ministry of Defence, Government of India), p. 2.

³¹ See table of comparative defense expenditures of India, Pakistan, and China, in Raju G. C. Thomas, "The Armed Services and the Indian Defense Budget," *Asian Survey*, 20:3 (March 1980), p. 282.

has done nothing to prevent or curtail? The problem here is the limited intent behind the mountain divisions. They were raised in response to the military defeat during the 1962 Sino-Indian war for which India was then ill-prepared, and currently seem equipped to fight the last war quite effectively. However, China has since become a nuclear power. Its weakness and inability to use air power in 1962 will have been improved in the 1980s with the potential of technological transfers from the West. Other logistical support systems to deploy and fight a war in the south will also have improved.³² No doubt the absence of a military balance between India and China must be viewed in the context of China's preoccupation with the threat from the Soviet Union. Indeed, it is the Soviet threat to China that relieves the Chinese threat to India. On the other hand, as already noted, the growing Sino-American ties relieve the Soviet threat to China and aggravate the Indian problem of security against China. These offsetting strategic factors make General Thimayya's observation in 1962 still appear somewhat valid, that is, as far as China is concerned, Indian defense must rest mainly on diplomacy.³³

Possibilities for Reconciliation or Mitigation

Given the syndrome of American security perceptions and policies in Southern Asia and its consequences for Indian security, can the differing analytical approaches and various security issues be reconciled or at least mitigated? As noted at the outset, foreign policy differences that are seen to stem from political parties and leaders on either side, as well as substantially different national characteristics, are only symptomatic of an underlying strategic conflict of interests. No doubt the Democratic and the Janata parties and their leaders have generally pursued policies that have brought the U.S. and India closer, while the Republican and Congress parties and their leaders have been less inclined to do so. However, the prevalence of subterranean strategic cross-currents cannot be ruled out. Although the Janata party under Morarji Desai commenced its rule in 1977 with various declarations of "genuine" nonalignment, within a year it was clear that such a policy would be difficult to implement. The present geopolitical relationships among Pakistan-India-China and China-USSR-USA continue to make Indo-Soviet ties the pivot of Indian defense policy. Improvements in India's relations with the U.S. may therefore be pursued so long as this does not upset the special relations with the Soviet Union—unless the basic equation of security relations among India, Pakistan, and China are fundamentally changed.

³² Dawa Norbu, "Strategic Development in Tibet: Implications for Its Neighbors," *Asian Survey*, 19:3 (March 1979), pp. 245-259; and K. N. Ramachandran, "China's Defence Modernization," *Strategic Analysis*, 3:4 (July 1979), pp. 136-140.

³³ See K. Subrahmanyam, "Nehru and the India-China Conflict of 1962," in B. R. Nanda, ed., *Indian Foreign Policy*, pp. 102-130.

Meanwhile, reconciliation of Indian and American security policies in the region calls for the accommodation of four basic needs. First, it is important to ensure the security of Pakistan against India while acknowledging and maintaining the unequal size and power status as between the two states. Second, India must be secured against Chinese conventional and nuclear threats as well as against Chinese-supported Pakistani threats. Third, the various security implications for the sub-continent of events and policies in the Middle East and Southeast Asia must be taken into account. Finally, the influence and security impact of superpower policies in Southern Asia needs to be minimized. This problem has become more ominous recently with the Soviet invasion of Afghanistan and various American responses to that crisis.

A comprehensive solution to the above set of interlocking security problems may be found in a coordinated system based both on the American balance of power approach and the Indian advocacy of non-alignment and peaceful coexistence. Under the first approach, military balances must exist between conflicting states if their security and independence are to be assured. Under the second approach, the unequal size and relative capabilities of conflicting states must not be unduly upset by the intrusion of the superpowers with military aid to the smaller state. Instead, peace should be promoted through a policy of mutual noninterference in each other's internal affairs and the promotion of regional economic cooperation. The problem with the Indian concept of "peaceful coexistence" alone is ensuring the security of small states against large states.

Since the present security problems of the region as perceived by India go beyond the core relationship, informal and tacit military balances should be devised on a broader framework taking into account China, the Middle East, and, perhaps, Southeast Asia in the future. Within a broader regional framework, the unequal power relationships that prevail among the various states could be maintained while establishing a loose and interlocking overall balance. That is to say, if military balances must exist, they must be achieved through combinations of states without excessively distorting the normal power capabilities that prevail in the region. Pakistan, a nation of 80 million people, should not be made the military equal of India, a nation of 670 million people.

In the attempt to maintain a constellation of interregional and interlocking military balances, the problem of varied threats and qualitative differences in weapons held by different states must also be taken into consideration. For instance, a balance between China and India must take into account the greater Chinese concern with the Soviet threat as against the Indian concern with the Pakistani threat together with potential military support for Pakistan from Southwest Asia. In addition, the balance must be gauged in terms of the quality of weapons possessed by both sides and the type of wars that are likely to be fought. In the case of India and Pakistan, there has been a qualitative

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balance between the two sides, especially in the context of short duration wars that are likely to be fought. What needs to be provided to all is "equal security" rather than the mere counting of men under arms and the number of tanks, aircraft, and guns.

A constellation of interregional military balances that emphasize equal security could then be reduced to mutually acceptable capability ratios—that is, each nation of the group should not attempt to exceed certain levels of military forces and weapons relative to others in the group. Since all the states concerned would be tacitly attempting to maintain these ratios, there would be a strong incentive not to increase their capabilities because of the self-defeating consequences of such a move. For instance, if the ratio of capabilities among Pakistan, India, and China is 1:3:9, any upward movement by one state would call for proportionate increases by others. Indeed, under these conditions, there would exist strong motivations to reduce capabilities because of the inherent advantages that would accrue all around. Since it is the ratios that are important for security and not the amount of military power, lower levels would be preferred.

This solution, of course, relates to the deployment of conventional forces. The complicating factor in these security relationships is existing Chinese and Indian, and the potential Pakistani, nuclear capabilities. Pakistani nuclear capability would be especially disturbing if it was a joint effort with Islamic nations such as Libya and the United Arab Emirates. The problem here is that conventional theories of defense and deterrence based on a balance of power approach would no longer apply. This paradox will not be easily resolved given the lack of credibility of nuclear guarantees provided by the U.S. and the Soviet Union when the condition of assured destruction prevails between them. Perhaps the present somewhat unsatisfactory situation is the best that can be achieved short of India's acquiring its own independent nuclear deterrent against China, thereby triggering a counter reaction in Pakistan and among other states. The present situation is one in which a quasi alliance between the United States and China implicitly restrains the Soviet Union from striking at Chinese nuclear installations, while a similar Indo-Soviet relationship restrains China from nipping Indian nuclear growth.

The long-term solution to this problem may lie in a comprehensive nuclear disarmament program that takes into account both types of nuclear proliferation—vertical proliferation (U.S.-USSR-China nuclear weapons growth) and horizontal proliferation (the spread of nuclear weapons among new states). What should be remembered is that the problem of nuclear proliferation did not begin in 1974 when India detonated an atomic device. It began in 1945 when the first atomic bombs were dropped on Hiroshima and Nagasaki.

Security arrangements along these lines would satisfy those in the U.S. who believe in a balance-of-power approach. It will not satisfy

those in India who consider such an approach dangerous as well as a means of subordinating regional issues to great power interests. It would be considered dangerous because balance of power politics would continue to provoke states into resorting to force for short gains whenever possible; and the constellation of balances suggested would in all probability be maintained through arms procurement from the great powers. In the latter case, however, note that external arms procurement would subside if the tacit acceptance of military ratios leads to a reduction of arms all round.

Indian opposition to the balance-of-power approach, however, could be mitigated by following a concurrent scheme based on India's international political outlook. This scheme would discourage fixed military alignments with any of the great powers, thereby preventing bipolarization or multipolarization. Under the system of interlocking military ratios, fixed alignments may indeed become impractical. Meanwhile, an alternative scheme should encourage regional economic cooperation based on the acceptance of "peaceful coexistence." Thus, military balances would be simultaneously countered by regional economic interdependence and the principles of peaceful coexistence. Although neither approach is likely to resolve various disputes in the region automatically, one method would provide security while the other would lessen the importance of such disputes. The advantages of cooperation may then progressively outweigh relative gains to be made from conflict postures and arms races.

GOVERNMENT-MEDIA RELATIONS IN THE PHILIPPINES

Robert L. Youngblood*

ONE OF THE FIRST STEPS President Marcos took upon declaring martial law on September 21, 1972, was to take control of the nation's mass media and to jail prominent journalists, editors, and publishers as well as many persons working in radio and television. Marcos closed all but one of Manila's 16 daily newspapers and shut down six of the city's seven television stations, allowing only the Voice of the Philippines and the Far East Broadcasting Company to continue radio service.¹ Strict censorship was imposed on all news and the Department of Public Information (DPI) issued guidelines requiring newspapers and radio and television stations to print and broadcast only "accurate" news that reflected positively on the government and the military. Editorials and society news were banned outright. These rules also applied to overseas dispatches until early October when a gradual relaxation commenced in response to pressure from foreign news agencies and foreign correspondents.

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¹ *New York Times* (NYT), September 25 and 26, 1972; and *Washington Post*, September 26, 1972. For a slightly different and more extensive account, see Primitivo Mijares, *The Conjugal Dictatorship of Ferdinand and Imelda Marcos I*. (San Francisco: Union Square Publications, 1976), pp. 327-329.

Ownership and Control of the Media

The president initially charged that control of the media was necessary because the press and radio were "infiltrated by Communist propagandists" and were "guilty of distorted, tendentious reporting" which "weakened resistance to Communism,"² but he later claimed that continued restrictions were needed to prevent rightist oligarchs from using the media to undermine the goals of the "New Society." Thus Marcos dismantled the media empires of the Lopez, Soriano, Elizalde, and Roces families and turned over their facilities to his close associates and relatives.³ There are now six major publishing combines headquartered in Manila, all (directly or indirectly) Marcos controlled. The largest of these is the Philippine Daily Express Company (*Daily Express*, *Filipino Express*, *Expressweek*, and *Sportsexpress*), owned by Marcos through Roberto Benedicto, ambassador to Japan, and financed in part by presidential funds. Hans Menzi, a former military aid to the president, publishes the country's second and third largest dailies, *Bulletin Today* and *Balita ng Maynila*, and a group of vernacular magazines, including *Liwayway*, *Hiligaynon*, and *Bannawag*, while Marcos' brother-in-law and governor of Leyte Province, Benjamin Romualdez, publishes the *Times Journal* and the *Manila Journal* (for circulation in the U.S. but now discontinued), and two monthly magazines, *Women's Journal* and *People's Journal*.

An organization publishing the *Evening Post*, *Focus Philippines*, and the *Orient Express* is owned by Juan Tuvera, a presidential assistant, and his wife, Kerima Polotan, the official biographer of Imelda Marcos. The *United Daily News*, a merger of the *Kong-Li-Po News* and the *Great China Press*, is published by a Kuomintang group headed by Ralph Nubla, a supporter of Marcos in the Chinese community, and the *Weekly Examiner* is owned and published by Leon O. Ty, a Marcos appointee to the governorship of the Development Bank of the Philippines. Added to these are a plethora of government publications, including *The Republic*, *Philippine Prospect*, *Philippines Today*, *Foreign Affairs Monthly*, *National Security Review*, and *Government Report* as well as numerous periodicals, such as *Fina*, *Game*, and *Sunday Observe*, that are issued by supporters of the president. With the exception of the *Daily Express* and a few provincial newspapers, all of these newspapers and magazines have commenced publication since 1972.

² NYT, September 27, 1972.

³ The following discussion draws extensively on an article and paper by John Lent: "Underground Press Fills the Gaps in the Philippines," *Philippine News*, January 30-February 5, 1975, p. 9 and "Philippine Mass Media Thirty Years after Independence: Not Very Independent," a paper presented at the Asian Studies on the Pacific Coast conference, Pacific Grove, California, June 11-13, 1976; C. R. Bryant, "The Philippine Press under Martial Law," *Cormosea Newsletter*, 6 (June 1973), pp. 1-6; Mijares, *The Conjugal Dictatorship*, pp. 329-339; and the remarks of J. G. Quijano at the International Press Institute meeting in Philadelphia, Pennsylvania, May 10-12, 1976.

Marcos also has considerable influence over the broadcast media. He controls Kanlaon Broadcasting System (KBS), which by 1975 ran at least 15 radio stations and two television channels and allowed a third network, Barangay Broadcasting Corporation, to use the KBS Broadcasting Center. The government and military operated at least 19 other radio stations with some of the country's most powerful transmitters and relay stations. The importance of KBS in Filipino television, according to John Lent, is underscored by the fact that the television stations of Banashaw Broadcasting Corporation, Radio Philippines Network, and GTV, comprising three of five of the nation's networks and half of the stations in the country, are managed by KBS's broadcasting management company. The only full color television channels in the Philippines belong to KBS. The dominance of KBS is further bolstered by reports that the cost of advertising jumped by as much as 400% only a few months after martial law began and has remained high.⁴

The regime's control of the mass media has been facilitated by a series of presidential orders, decrees, instructions, and appointments since the New Society was inaugurated. The day after the proclamation of martial law Marcos issued Letter of Instruction No. 1 ordering the press secretary and the secretary of the Department of National Defense jointly "to take over and control . . . all such newspapers, magazines, radio and television facilities and all other media of communications, wherever they are, for the duration of the present national emergency."⁵ But, as designated in Letter of Authority No. 1 dated the same day, the *Daily Express*, Philippines Broadcasting System, Voice of the Philippines, Radio Philippines Network, and KBS were allowed to remain open. A few days later, on September 25, 1972, DPI Order No. 1 established censorship of the media, requiring all domestic "materials for publication and broadcast" and "foreign dispatches and cables" to be cleared by the department, and set forth stringent guidelines for media performance.

On October 21, 1972, Francisco Tatad and Juan Ponce Enrile, secretaries of Information and Defense, respectively, created a Committee on Mass Media to oversee the media and implement the president's directives. Although Tatad chaired the committee, the military exercised the most power, for in addition to Enrile as co-chairman, the executive director and the deputy executive director of the committee were both generals in the Philippine army. Marcos essentially formalized this arrangement with Presidential Decree No. 36 establishing the Mass Media Council. The council was empowered to issue operating licenses to the media, subject to presidential approval, of six months

⁴ Lent, "Philippine Mass Media Thirty Years after Independence," p. 3; E. San Juan, Jr., "Marcos and the Media," distributed by the Philippines Research Center, 2718 Avenue L., New York, New York; and "Report on the Media," Memorandum for private circulation among religious, Manila, 197?, p. 2 (mimeographed).

⁵ Philippines (Republic), Laws, Statutes, etc., *Letter of Instruction No. 1*, September 22, 1972.

duration but renewable upon satisfactory performance, and it was also instructed to make space and time available for the dissemination of government information. Violations of the decree fell under the authority of the military tribunals.⁶

The Media Advisory Council (MAC) replaced the Mass Media Council on May 11, 1973. Headed by the president of the National Press Club, Primitivo Mijares, who was elected after martial law in an unopposed contest in which only a reported 30 or so of a membership of several hundred voted, MAC was theoretically an independent media body, governed by "self-regulation and internal discipline."⁷ Since Mijares, a former *Daily Express* reporter and a presidential assistant, was hand-picked for the job and the president still had to approve all media licenses, the regime continued to maintain its influence over the media. In fact, upon his defection to the United States in early 1975, Mijares described himself as Marcos' "chief censor." It was not just a careful monitoring of the domestic media, however, that led to the demise of MAC, but rather the attempt by Mijares to expand his power at the expense of the DPI and Secretary Tatad and to control the activities of the foreign press. Mijares was also criticized for mismanagement, and after denouncing the regime, accusing Marcos of bribery, and testifying before a U.S. congressional committee, he was formally charged with embezzlement in the Philippines. As a result of the internecine conflict between Mijares and Tatad and the unabated criticism from abroad about the lack of press freedom, Marcos abolished MAC in November 1974, divided its functions between two bodies—the Print Media Council and the Broadcast Media Council—and claimed that the media were no longer controlled by the government. Yet many of those serving on the two councils are close associates of the president, some of whom operate or are prominent figures in the major print and broadcast media in the country.⁸

Reorganized shortly after martial law to coordinate the Presidential Information Office, a Bureau of Broadcast, and a national news service, the DPI has emerged as the dominant voice in Philippine media affairs, especially since the abolishment of MAC and the departure of Mijares. It coordinates the activities of a number of agencies, including the Bureau of National and Foreign Information, the Bureau for Research, Evaluation, and Special Operations, and the Bureau of Standards for Mass Media, and produces radio and television programs, long playing records of Marcos' speeches, movies of the First Family, and

⁶ San Juan, "Marcos and the Media," p. 40; "The State of Mass Media since the Imposition of Martial Law," Manila, 1975, p. 4 (typewritten); and Philippines (Republic) Laws, Statutes, etc., *Presidential Decree No. 36*, November 2, 1972.

⁷ Philippines (Republic) Laws, Statutes, etc., *Presidential Decree No. 191*, May 11, 1973; and Ruben Diario, "Managing the Media Filipino Style," *Bulletin of Concerned Asian Scholars*, 6 (January-March 1974), p. 32.

⁸ For a partial list of media personnel who have done well since martial law, consult "Public Posts: The Rewards of Loyalty," *IPI Report*, November 1978, pp. 6, 15.

distributes news, press releases, and books favorable to the government. The department has the authority to oversee media licenses and renewals, screen media employees, and accredit foreign newsmen, and through the DPI secretary, has a voice on the Board of Censors for Motion Pictures. The DPI also works closely with the Philippine Constabulary in monitoring short-wave broadcasts at home and abroad and in making sure that military encounters with the New People's Army (NPA) and the Moro National Liberation Front (MNLF) are handled judiciously in the press.⁹

In addition to restructuring control of the mass circulation print media and radio and television, Marcos has also issued pronouncements regarding the printing of handbills, leaflets, and posters, the manufacturing and distribution of movies, and the discussing of the various referenda, plebiscites, and elections held since 1972. Here the regime has been most concerned with the dissemination of seditious films and literature that tend to undermine confidence in the government and more recently with the passage of an official information act in the Interim *Batasang Pambansa* (national assembly) that would protect the national interest, according to Minister Tatad, without damaging the "free flow of information" necessary for "enlightened public opinion."¹⁰

Concomitant with establishing controls on the communications industry the government consistently stresses the role of the media in fostering national unity and in promoting the development goals and achievements of the New Society. In this regard, the Philippines joins with other Third World nations in wanting a "development press" that emphasizes the positive rather than the negative, as they feel foreign news agencies and correspondents now do.¹¹ When Mijares was chairman of MAC, he planned to create a national media organization that would channel (i.e., control) foreign news both going out of and coming into the country; in July 1977, Teodoro Valencia, a *Daily Express* columnist who reportedly had close ties to the presidential palace and chairman of the Broadcast Media Council, indicated the Philippines might set up an International News Exchange (INDEX), which would serve the Third World in correcting the "imbalance" and "misinformation" of Western news agencies about developing countries.

⁹ *NYT*, November 5, 1972; David A. Rosenberg, "Civil Liberties and the Mass Media Under Martial Law in the Philippines," *Pacific Affairs*, 47 (Winter, 1974-75), pp. 481-482; and San Juan, "Marcos and the Media," pp. 43-44.

¹⁰ Agence France Presse (AFP) (Hong Kong), July 25, 1976 and Far East Broadcast Company (FEBC) (Manila) July 26, 1976 in United States Foreign Broadcast Information Service (FBIS), *Daily Reports*, Vol. IV, Asia & Pacific, July 26 and 27, 1976; and *South China Morning Post*, August 19, 1978, p. 5. Cabinet secretaries became ministers after the parliamentary elections for the interim national assembly in 1978. Thus all references to cabinet officers after 1978 reflect this change in form of government.

¹¹ For a treatment of the notion of the "guided" or "development" press in Southeast Asia, consult John Lent, "Press Freedom in Asia: The Quiet, But Completed, Revolution," *Gazette*, No. 1 (1978), pp. 41-60 and "The Mass Media of Malaysia, Singapore, Philippines," *India Press*, January 1978, pp. 19-26.

And in late 1978 the Philippine government reportedly drafted a proposal suggesting that any publication banned in a member country of the Association of Southeast Asian Nations (ASEAN) be automatically banned in the others. While other ASEAN states evidently rejected the publication ban idea, the Philippines, Indonesia, and Malaysia agreed in May 1980 to a cooperative news exchange program among their national news agencies.¹²

Uses of the Media

Marcos has used the media to foster the programs of the New Society and to discourage unpleasant news about crime, graft and corruption, and military losses suffered in encounters with the NPA and the MNLF to the extent that much of the New Society news borders on being sycophantic. The activities of First Lady Imelda Marcos have received universal acclaim in the Manila press, and at times, entire newspaper sections panegyricize her work. Despite her public protests of reluctance, media campaigns were mounted in 1975 to have her appointed governor of metropolitan Manila and in 1978 to have her head the *Kilusang Bagong Lipunan* (KBL, New Society Movement) slate in the Interim *Batasang Pambansa* elections, and, significantly, when the governorship of Metro Manila was excluded from the 1980 local elections, no protest was voiced in the local media. The First Lady's diplomatic missions abroad to China in 1974, preceding a presidential trip formalizing relations in 1975, and to Libya in 1975 and 1976, involving negotiations with Colonel Qaddafi over the Muslim conflict in the Southern Philippines, were covered extensively (and favorably) by the Philippine media. The Manila press also gives Governor Marcos high marks for diplomacy in her frequent trips to the U.S. and generally portrays her as universally loved in the Filipino-American community, despite the presence of anti-martial law pickets at many of her appearances and negative accounts of her activities in the U.S. press. Moreover, the efforts by a group of local businessmen and civic leaders called Impress (Imelda R. Marcos for President Society) to have her elevated to head of state have appeared in the local press, and a call by other notable Filipinos to have her nominated for the Nobel Peace Prize was quoted by the domestic Philippine News Agency, though reportedly suppressed in the Manila papers by the governor herself. Similarly, there are recurring stories in the Manila press of local civic organizations entreating the president to elevate the First Lady to the position of deputy prime minister.¹³

Other activities backed by the regime and designed to generate

¹² *Far Eastern Economic Review* (FEER), December 15, 1978, p. 7; and APF (Hong Kong), May 13, 1980 (FBIS). ASEAN members are: Philippines, Indonesia, Singapore, Malaysia, and Thailand.

¹³ Rodney Tasker, "Determining the People's Will," *FEER*, September 22, 1978, pp. 16-17; and *Bulletin Today*, November 24, 1978, p. 5.

favorable world opinion for the Philippines, such as the Miss Universe Pageant in 1974, the Ali-Frazier fight in 1975, the Karpov-Korchnoi chess championship in 1978, and several international conferences, including the World Bank and International Monetary Fund meeting and Group of 77 meeting, both in 1976, the World Peace Through Law Conference in 1977, the world conference of the International Law Association in 1978, and the fifth United Nations Conference on Trade and Development (UNCTAD V) in 1979, have been turned into media extravaganzas in the local press. Criticism of the government's policy of hosting international pageants and conferences that cost millions in a country where the average daily wage is under \$3.50 and 68% of the population, according to 1975 estimates made by the country's own Food and Nutrition Research Institute, live below a "food threshold level," is generally suppressed or covered negatively by the Philippine media. And when expenditures are discussed, as in the 80 million pesos (US\$10.8 million) spent by the regime for UNCTAD V, they are put in a context of profitability for the nation's tourist industry.

Aware of the media's shortcomings, Secretary Tatad as early as April 1973 chided the Philippine press for being too servile. Marcos himself said to foreign journalists in July 1974 that he wished the press would "offer some criticism of government programs."¹⁴ Secretary Enrile also exhorted the media, in a dialogue with reporters in August 1975, "to expose venalities both in the government and private sectors," and, accordingly, sent a memorandum to the chief of staff of the armed forces to the effect that no "member of the mass media shall be summoned for questioning or . . . arrested . . . for having written, broadcast or otherwise publicized any news report, article or comment/opinion on any subject matter, without specific, written clearance" from the Secretary of Defense.¹⁵ But the fact that many in the media were jailed at the beginning of martial law and others either sacked or detained after writing or telling stories objectionable to the regime has made reporters and writers wary of assurances from government officials. Although Marcos has repeatedly claimed that freedom of the press exists in the Philippines, especially since the dismantling of MAC in late 1974, the context within which these avowals have been made and the actual performance of the controlled press have not been reassuring. For example, the president and his spokesmen have stressed freedom of the press in conjunction with press responsibility and self-discipline. A typical statement of the government's position was made by Juan Sison, assistant chief state prosecutor, at a Hawaii seminar in 1977:

¹⁴ Bernardino Ronquillo, "Cloud Over the 'Sunshine Press,'" *FEER*, April 16, 1973, p. 15; and *Philippine Times*, July 15-31, 1974, p. 20.

¹⁵ "The State of Mass Media since the Imposition of Martial Law," pp. 9-10; and Philippines (Republic), Department of National Defense, Juan Ponce Enrile, Memorandum to the Chief of Staff, AFP, Camp Aguinaldo, Quezon City, 12 August 1975, reprinted in the *Communicator*, September 10, 1975, p. 1.

The Philippine press exercises its freedom subject only to the penal statutes and self-discipline of the practitioners of journalism themselves. Filipino journalists have realized the destructiveness of unlicensed and unbridled freedom which contributed to the disorder and anarchy of the old society and are more responsibly discharging their duties in support of the social, economic and political objectives of the nation.¹⁶

Yet the government retains the right to determine what is responsible reporting and, according to the president, has the right to detain and to charge anyone with subversion under martial law "even when there is as yet no evidence of a commission of an act but merely evidence of the fact that there is an intention to commit the act."¹⁷ And in November 1979, while reiterating a commitment to a free press, Enrile set forth three restrictions (ostensibly dealing with national security) on the press, including the publication of information that "could lead to adverse diplomatic repercussions that may cause serious injury to the prestige of the republic."¹⁸

Beyond the first few months of martial law when the government openly admitted to censorship, the regime's implementation of "self-regulation" and "self-discipline" in the media presaged caution by those working in the industry. In March 1974, Baldomero Olivera, founder of the Philippine News Agency and former press secretary to President Quirino, was arrested and detained for two months for "spreading rumors" after having made some mildly humorous remarks about the president and the First Lady, and a few months later, Jose Luna Castro was allegedly fired as editor of the *Times Journal* after the appearance of a series of unflattering articles on free-spending Arabs in Manila.¹⁹ Moreover, publishers and editors of the controlled press were lectured by the president in August 1978 about their growing preoccupation with crime reporting, and in September 1978, Jesus Bigornia and Ben Rodriguez, columnist and editor, respectively, of the *Bulletin Today* were reportedly rebuked by Marcos for a story about a couple's shooting that involved the president's nephew.²⁰ The following year, in September 1979, radio announcer Rafael Yabut, who was cleared of rape charges by a military tribunal in 1975 but who remained an outspoken critic of martial law, was again detained for alleged "suborna-

¹⁶ Lt. Colonel Juan Sison, "Human Rights under Philippine Martial Law," a paper delivered at an international seminar on "Problems of Law and Society," East-West Center, University of Hawaii, Honolulu, Hawaii, August 1977, p. 13.

¹⁷ *U.S. Manila Post*, January 15, 1977, p. 4. Secretary of Defense Enrile has defined a subversive as "anyone who speaks or acts against the government." *Philippine Times*, July 31, 1977, p. 13.

¹⁸ *Bulletin Today*, November 17, 1979, pp. 1, 5.

¹⁹ *Philippine Times*, March 31, 1974, pp. 1, 12; and *FEER*, June 3, 1974, p. 5. Mijares, *The Conjugal Dictatorship*, pp. 360-361, claims Luna was "dismissed" on Marcos' instructions, but remained with the *Times Journal* organization, eventually setting up the Western edition of the *Filipino Reporter* in San Francisco.

²⁰ *Washington Post*, August 4 and September 19, 1978.

tion of perjury" in the case. And in October 1979, a *Daily Express* reporter, Monica Feria, a student at the University of the Philippines, was picked up in raids against alleged subversive students and detained nine days without charges. In December 1979, Ernesto Rondon, an opposition candidate for the Interim *Batasang Pambansa* elections in April 1978 and a critic of President Marcos, was barred from continuing radio broadcasts over DZME, reportedly at the request of "certain military and Malacañang authorities."²¹

Exercising prudence and circumspection by journalists and media workers was further reinforced by the abrupt sacking of Information Minister Tatad in January 1980 and the subsequent termination in February 1980 of "192 officials and employees of the Ministry of Public Information on various charges ranging from alleged misconduct and absenteeism to inefficiency, incompetence and mismanagement."²² Tatad was fired for refusing to back the KBL slate of candidates in the January 1980 local elections in Catanduanes, his home province. The president obviously has the right to expect loyalty from his cabinet ministers. But in letting Tatad go, Marcos referred to him as "the spoiled boy in the cabinet," and admitted keeping the information minister despite "allegations of arrogance, oppressiveness, dishonesty, illegal and unexplained wealth as well as specific cases of corruption." Tatad denied the charges in a statement of resignation, but, significantly, he pledged continued support to the president and the First Lady and warned Marcos' political rivals against attempting "to bring down the integrity of the presidency."²³ The unambiguous message from the Tatad incident, according to opponents of the regime, is that graft and corruption are tolerated by high government officials (and their loyalists) as long as they do not cross the president. Clearly, it is much safer for journalists to be sycophantic than to engage in criticism of the New Society.

Perhaps more significant for freedom of expression in the Philippines, however, has been the government's use of the media in the voting process and its attitude toward opposition publications and broadcasts. While Marcos has declared periods of free debate prior to the constitutional plebiscite (1973), the referenda votes (1973, 1975, 1976, 1977), and the Interim *Batasang Pambansa* elections (1978), and the nationwide local elections (1980), the government's record of fairness has been challenged by domestic oppositionists and the international press. Just as the times for and length of open debate have been changed frequently by Marcos, so have the nature and tenor of discussions along with other aspects of the electoral process been circumscribed

²¹ *Philippine Times*, January 14, 1980, p. 15.

²² AFP (Hong Kong), January 17, 1980 (FBIS), and AFP (Paris), February 26, 1980 (FBIS).

²³ *Bulletin Today*, January 18, 1980, pp. 1, 9.

by presidential decrees and statements. For example, discussion of the new constitution was permissible as long as it did not "tend to cause disorder or endanger the security of the state," while printed materials circulated in the February 1975 referendum had to indicate "the name and address of the author . . . as well as the name and address of the printer."²⁴ And prior to the January 1980 local elections, announced suddenly by Marcos in December 1979 after leading the opposition to believe the likely date would be late 1980 or early 1981, the government-controlled interim national assembly passed new legislation governing the elections and the president himself continued to issue pronouncements and decrees on election procedures right up to voting time. The result of Marcos' actions has been confusion and intimidation among the electorate, with many not understanding the issues or knowing which candidates are eligible and few willing to risk speaking out or challenging established authority. This reinforces a general feeling of cynicism about the political process under martial law.

The opposition has also pointed out that the controlled media have often covered only the government's position on voting issues since 1972. The media were barred in late 1972 from carrying news of a case before the Supreme Court challenging the legality of the new constitution, and in the July 1973 referendum, the opposition was limited to passing around hand leaflets.²⁵ Similarly, no opposition figures were present in a television marathon (carried over all channels) prior to the fourth referendum in October 1976 in which Marcos and his cabinet fielded questions phoned in from all over the archipelago, and the local press avoided printing statements of the president's critics. Although Benigno Aquino, the president's arch-rival, while under a death sentence in Fort Bonifacio on conviction of murder, subversion, and illegal possession of firearms, was allowed to make a 90-minute television appearance and hold an hour press conference as head of the opposition *Laban* (*Lakas Ng Bayan*, Strength of the Nation) ticket in the April 1978 interim national assembly elections, he did so only after three days of negotiations between his sister, film director Lupita Concio, and the government's National Media Production Company. None of Aquino's comments were edited but neither did he criticize the president.²⁶ Marcos' unprecedented gesture to Aquino (after denying him the freedom to campaign outside of prison because of legal complications) and other media compromises with the opposition were done with the assurance that the election results were a foregone conclusion and that, as both president and prime minister, he could continue ruling by

²⁴ Philippines (Republic), Laws, Statutes, etc., *Presidential Decree No. 73*, December 1, 1972 and *General Order No. 51-A*, January 17, 1975.

²⁵ *NYT*, December 21, 1972 and July 27, 1973.

²⁶ Rodney Tasker, "A Political Star Is Re-born," *FEER*, March 24, 1978, pp. 10-11.

decree regardless of the composition of the interim national assembly.²⁷ Charges of widespread election fraud by the opposition and in the international press tend to confirm the supposition that Marcos was unconcerned about the election outcome. The few stories that have appeared about demonstrations (which are illegal) against the referenda have been characterized as riots instigated by foreigners, and after street protests associated with the interim national assembly elections, Marcos reimposed restrictions on free assembly and debate, restored the midnight-to-dawn curfew, and jailed demonstrating *Laban* leaders and followers, claiming there would be no accommodation of "anarchists, radicals and terrorists."²⁸

The controlled media continued to be in the service of the regime during the January 1980 local elections, for although coverage of opposition activities was more extensive than in the past, giving an impression of fairness, in reality most of the news was heavily slanted in favor of the president and KBL candidates. The statements and activities of the president and First Lady were reported extensively, while the issues and campaigning of the opposition were often mentioned only briefly or ignored altogether. Not a single speech of arch-critic opposition leaders, such as former President Diosdado Macapagal, Liberal Party president Gerardo Roxas, and *Laban* Party chairman Lorenzo Tañada, were printed in the local press.²⁹ The entire party platform of the KBL was reproduced in the Manila papers, yet the *Laban* leadership was unable to purchase space in the same papers to publish the party's explanation for not participating in the elections, even though a 30-day period of "free debate" existed prior to voting. After the election, Marcos called upon the interim national assembly to correct election flaws, but in his speech made no mention of a need to reform the mass media.

Either because of ambivalence or lack of resources, the government has made little effort to suppress the circulation of a large number of mimeographed underground papers with forbidden stories from abroad or accounts of abuses in the New Society.³⁰ Yet the Print Media Council failed to license a magazine called *Confrontation*, to be published by a distinguished group of Filipinos, and reportedly took no action on a bid by *Laban*, which filed incorporation papers for a publishing company called *Malayang Pahayagan* (Free Press) Inc., to print an opposition weekly edited by veteran newspaperman Baldomero Olivera and Joaquin Rocas, publisher of the defunct *Manila Times* which was

²⁷ AFP (Hong Kong), February 28, 1978 (FBIS). Enrile claimed Aquino could not be let out of jail to campaign because his alleged links to the CIA and Communists made him too much of a national security risk.

²⁸ Harvey Stockwin, "The 'Yes, but . . .' Referendum," *FEER*, October 22, 1976, pp. 24-25.

²⁹ Analysis of local press coverage of the election is based on a daily reading of the *Bulletin Today*.

³⁰ *Washington Post*, November 18, 1973; and Lent, "Underground Press Fills the Gaps in the Philippines," p. 9.

closed at the beginning of martial law.³¹ Similarly, attempts by former President Macapagal to publish his critique of the New Society, *Democracy in the Philippines*, in Tagalog were suppressed by the military, resulting in "rumor-mongering and inciting to sedition" charges against the ex-president and his associates. At least two other Manila publications that print news unflattering to the regime—*We*, a Manila weekly, and the *Philippine Collegian*, the student newspaper of the University of the Philippines—continue to be harassed by the military and government officials.³² The government has been extremely sensitive to continual criticism, particularly from influential church representatives, about the lack of media freedom under martial law; especially irksome to the regime has been the decision of other religious officials to use church media facilities freely.³³ Thus the military on several occasions has shut down and seized the equipment of church papers and radio stations considered damaging to the regime, and two American priests were deported early in martial law after being accused of "inciting rebellion" in broadcasts on a church-owned radio station.

In late 1975, Hans Menzi, chairman of the Print Media Council, ordered *Various Reports*, a mimeographed, anti-government organ put out by the Association of Major Religious Superiors of the Philippines (AMRSP), closed because the publication lacked a license from the Council. But the AMRSP defied the order; changed the title to *Signs of the Times*; stated the church had "a legitimate human and religious right" to circulate information for "theological reflection, conscientization and Christian response"; and claimed the publication was for "use by religious and laymen under our care."³⁴ The following year, in December 1976, just a few days after two Catholic-owned radio stations (DXCD in Tagum, Davao del Norte, and DXBB in Malaybalay, Bukidnon) in Mindanao were taken off the air for alleged subversive broadcasts, the government finally padlocked *Signs of the Times* as well as a Jesuit newsletter critical of martial law, *The Communicator*, which was licensed by the Print Media Council.³⁵ Also irritated by the con-

³¹ Personal interview with religious activist in Manila, April 1979; AFP (Hong Kong), June 10, 1978 (FBIS); *FEER*, October 27, 1978, p. 5; and *Philippine Liberation Courier*, November 17, 1978, p. 7.

³² Jose de Vera, "Macapagal, Six Others Invited for Questioning," *Bulletin Today*, September 8, 1979, pp. 1-10; *Asiaweek*, May 30, 1980, p. 18; *Philippine Times*, May 13-19, 1980, pp. 1, 7, May 20-26, 1980, pp. 1, 10, and June 3-9, 1980, p. 1; *Various Reports*, July 11, 1975, pp. 27-28; personal interview with students from the League of Filipino Students, May 1979; and *Bulletin Today*, October 11, 1979, pp. 1, 8 and November 23, 1980, p. 40.

³³ *Philippine News*, November 28-December 4, 1974, pp. 1, 15; *FEER*, April 22, 1974, p. 22; and a "Manifesto" from an ecumenical group of Catholic and Protestant church leaders and laymen deploring, among other things, a lack of a free press, Manila, December 17, 1974.

³⁴ *Philippine Times*, November 1-15, 1975, pp. 1, 8 and January 16-31, 1976, pp. 3, 10.

³⁵ *Washington Post*, November 21, 1976; *NYT*, December 6, 1976; Frederic A. Moritz, "Marcos Fans Feud with Clerical Foes," *Christian Science Monitor*, December 8, 1976; and *Philippine Times*, December 1-15, 1976, pp. 1, 8 and December 16-31, 1976, pp. 1, 10. Guidelines based on gross billings, issued by the Broadcast Media

stant, outspoken criticism of Francisco Claver, Bishop of Malaybalay, the military also closed *Ang Bandilyo* (The Announcer), a four-page newsletter of the diocese, in January 1977 for alleged "inciting to sedition."³⁶

Many persons, including Filipino and foreign priests and nuns, associated with these publications and radio stations were charged with either subversion, sedition, or inciting to rebellion, but in the cases of *Signs of the Times* and *The Communicator*, it took the military 10 months to open proceedings to determine if the evidence warranted prosecution before a military tribunal. The caustic reaction of the AMRSP and the trenchant counter-affidavit filed by Fr. James Reuter, editor of *The Communicator*, were damaging to the military's case and a military tribunal may have been embarrassing to the regime.³⁷ Eventually the government dropped charges against DXBB and *Ang Bandilyo* in June 1978, yet refused to return confiscated equipment, claiming that "*nolle prosequi* does not amount to exculpation," and in July 1978 Marcos ordered the military prosecution in the *Signs of the Times* and *The Communicator* cases stopped.³⁸ Some analysts feel the military never intended to bring the cases to trial, but simply was interested in intimidation.³⁹ In this regard, however, the government's efforts have been only partially successful, for while most of the Filipino employees charged with subversion were unable to secure alternative employment, *Signs of the Times* was replaced by *Ichthys*, Bishop Claver continued to speak out and began republishing *Ang Bandilyo* after charges were dropped, and several other critical church publications, including *Dialogue*, *Breakthrough*, and *Conscientizer*, are now in circulation.⁴⁰

Council (BMC) in March 1976, were used to withdraw the licenses of a number of Catholic radio stations operating on slim margins or at a loss. It is interesting to note that the stations were all in rural areas and in some cases in dioceses headed by activist bishops. The BMC's move was challenged by the Federation of Catholic Broadcasters, which pointed out that the financial viability of the stations was "guaranteed by the Bishops of the respective areas." *Communicator*, May 26, 1976.

³⁶ *Philippine Times*, March 1-15, 1977, p. 28 and May 1-15, 1977, p. 22; and AFP (Hong Kong), January 25, 1977 (FBIS).

³⁷ Manila Domestic Service, October 13, 1977 (FBIS); Letter from Sr. Amelia Vasquez, Executive Secretary, Association of Major Religious Superiors of Women in the Philippines (AMRSP), October 1977; and *Philippine Times*, November 1-15, 1977, pp. 6, 19, 21.

³⁸ Correspondence between Colonel Cesar Navarro, Philippine Constabulary Commander, Malaybalay, Bukindnon and Reverend Gaudioso Susterio, Director of the Communications Media Center, Prelature of Malaybalay, and Francisco Claver, Bishop of Malaybalay, June 19, July 10, 11, 12, and 16, 1978, obtained from Fr. James Reuter, National Office of Mass Media, Manila; and AFP (Hong Kong), July 31, 1978 (FBIS).

³⁹ Marcos' temporary suspension of the filing of charges against church officials and laymen working at the two Catholic radio stations and weeklies gives credence to this supposition. *NYT*, December 9, 1976.

⁴⁰ The latter three publications are either Protestant or ecumenical in orientation.

Government Relations with the Foreign Media

From the outset of martial rule, the foreign news media have been a *bête noire* for the Marcos government. The censorship of foreign dispatches just after the president's proclamation prompted criticism from foreign press agencies and correspondents in Manila, while the International Press Institute (IPI) in Zurich demanded the release of all arrested journalists and dispatched a delegation to the Philippines to intercede on behalf of the detained newsmen. Yet as journalists were being released from jail and restrictions on foreign news agencies and correspondents were being relaxed a few weeks later, Secretary Tatad in November 1972 suspended the dissemination of news by the Associated Press (AP) to its customers because of a story, selected from *Business Week*, about a rumored rift in the Philippine army. The ban was lifted within days, but not before the AP denounced the action as censorship in a sharp retort to the government. In a sense, the IPI investigation and the AP tussle were harbingers of what the regime's relations with the foreign press would be in the New Society.

Although government officials have made numerous pronouncements reaffirming the sanctity of press freedom, the rift between the regime and the foreign media has continued to widen. No less than 15 issues of the *Far Eastern Economic Review* were censored prior to mid-1974, and its editor, Derek Davies, resigned from the Board of Trustees of the Manila-based Press Foundation of Asia.⁴¹ The IPI passed a resolution in June 1973 stating "categorically that a free press does not now exist in the Philippines." In May 1975 the IPI expelled the Philippine committee, and it continues to give the Marcos regime low marks for press freedom.⁴² Moreover, in March 1974 the chief of the AP bureau in Manila, Arnold Zeitlin, was labeled a "suspected . . . Jewish journalist" by Foreign Secretary Romulo in a letter to three Arab foreign ministers because of a story Zeitlin wrote about government-Muslim fighting in Jolo, Sulu. To quell the ensuing furor, Marcos ordered MAC chairman Mijares to discontinue investigations into "the operation or performance of any international wire agency or mass media organization."⁴³ Yet when Zeitlin was refused re-entry to the Philippines in November 1976, the president averred that the AP correspondent had been involved in "activities that endanger the security and prestige" of the country and let stand Immigration Commissioner Reyes' accusations that Zeitlin was working with elements bent on "the violent overthrow" of the government.⁴⁴

⁴¹ *Philippine Times*, June 15, 1974, p. 5; and San Juan, "Marcos and the Media," p. 45.

⁴² *IPI Report*, December 1979, p. 10.

⁴³ *NYT*, March 1 and 5, 1974.

⁴⁴ *Washington Post*, November 7, 1976.



Other foreign newsmen have also run afoul of the government for stories (and alleged activities) considered inimical to the regime. After querying Marcos pointedly about his wealth in a televised news conference, Stephen Teich, "a sometime journalist" claiming to represent a New York radio station, was expelled in January 1977 for reportedly attempting to "undermine" the ceasefire agreement between the government and Muslim rebels in Mindanao. At the same time a French journalist, Yves Chazourne, was reportedly apprehended as an alleged courier for the MNLF. More celebrated, however, was the government's refusal in February 1977 to renew the visa of American journalist Bernard Wideman for "anti-government activities" related to his coverage of anti-Marcos demonstrations in Manila and unflattering articles, including some about Governor Marcos, the Muslim conflict, and the arrest of activist priests, that appeared in *The Washington Post* and the *Far Eastern Economic Review*. Wideman was eventually exonerated in June 1977 following a deportation hearing, but only after concern was expressed by his employers, *The Washington Post* and the American Broadcasting Company, the State Department, and several U.S. senators and congressmen. The gesture was viewed as an attempt by Marcos to deflect criticism of the New Society's human rights record as well as defuse additional criticism by the foreign press, particularly in the wake of the Zeitlin ouster.

Marcos has used the foreign media in other ways in an attempt to boost the Philippines abroad. He has frequently granted foreign journalists interviews and news conferences, generally displaying a deft touch in fielding questions, and has placed multiple-page advertisements about the New Society in prestigious foreign publications such as *Fortune* magazine. Close associates of the president have also underwritten pro-martial law publications in the U.S., including the *Filipino Reporter* and the *Manila Journal*, and have occasionally subsidized Filipino-American publications such as the California-based *Philippine Mail* and *Bataan News*.⁴⁵ Similarly, at least one report indicates that Benjamin Romualdez contemplated opening a school in Manila for Asian journalists to enhance the "freedom of the press" image of the regime in Asia, while another story recounts an unsuccessful bid by the Marcos government to have Stanford University sponsor a journalism school in Manila.⁴⁶ And in November 1977, the president retained Doremus & Company, a U.S. public relations firm, to improve the government's image in the United States, paying an estimated \$460,000 before switching to International Counsellors, Ltd. in 1979 for an an-

⁴⁵ Mijares, *The Conjugal Dictatorship*, p. 364. There are also numerous allegations of attempts by the Marcos government to intimidate Filipino community papers and publications in the U.S. that are opposed to martial law. See, for example, *Signs of the Times*, October 17, 1975, pp. 28-29; and *Philippine Times*, December 16, 1977-January 31, 1978, p. 4 and September 9-15, 1978, p. 4.

⁴⁶ *Philippine Times*, December 16, 1977-January 31, 1978, p. 5 and April 7-14, 1980, pp. 1, 12.

nual fee of \$150,000. Among International Counsellors' activities is the publication of *The Philippines Newsletter*, a mirror image of Doremus & Company's the *Republic of the Philippines Newsletter*, both aimed at the American business community.

Marcos' attempt to refurbish the New Society's image abroad has had little impact on the appearance of critical stories in the foreign news media. Filipino journalists have increasingly counterattacked in Manila's controlled press, just as the president, the First Lady, and other high government officials have stepped up accusations of captious foreign reporting about the Philippines. The government/foreign press conflict reached fever pitch in the weeks just before and after the Interim *Batasang Pambansa* elections in April 1978, in part because *Laban* leaders admitted choosing to contest seats only in Metro Manila where foreign correspondents could easily observe the campaign and voting. Throughout the campaign foreign journalists were warned about meddling in Philippine politics and were accused of serving the interests of foreign powers (mainly the U.S. but also Japan), while news coverage abroad was overwhelmingly censorious of the government-backed KBL's campaign and of the voting process on election day.⁴⁷ After the election, the Commission on Elections warned that an inquiry into the intervention by foreigners, including newsmen, was under consideration, and Marcos was so irked that he accused the Western press of being "culturally arrogant."⁴⁸ Jay Matthews of *The Washington Post* and Fox Butterfield of *The New York Times* were advised by Lorenzo J. Cruz, the director of the Bureau of National and Foreign Information, that the president considered their election coverage "unfair," and Foreign Secretary Romulo wrote Secretary of State Vance that "certain members of the foreign media" represented a "national security" threat to the Philippines and its "friendly relations with some countries."⁴⁹ In other areas, the DPI asked foreign correspondents to wear identification badges when covering public events and after the convening of the Interim *Batasang Pambansa* a bill (not supported by Marcos) was introduced to ban Western journalists from the country.⁵⁰

That the regime continues to have uneasy relations with the foreign media was underscored in September 1978 by a 6.8 million peso (US\$900,000) libel suit filed by Defense Minister Enrile against the *Far Eastern Economic Review*, freezing the company's assets and preventing the periodical's sale in the Philippines, and again in October and November 1979 by attacks on the Western press from government ministers—including Enrile, Romulo, Estrella, and the First Lady—irritated over a *Time* magazine article critical of the New Society. Similar-

⁴⁷ AFP (Hong Kong), February 25, March 28, and April 1, 1978 (FBIS); and Fox Butterfield, "Foreign Reporters Accused by Manila."

⁴⁸ AFP (Hong Kong), April 10 and June 10, 1978 (FBIS).

⁴⁹ Fox Butterfield, "Filipinos Planning Noisy Protest Over Election Despite a Warning," *NYT*, April 12, 1978.

⁵⁰ Manila Domestic Service, April 10 and July 17, 1978 (FBIS).

ly, foreign press coverage of the January 1980 local elections was largely negative but failed to elicit an emotional response from the controlled media, perhaps because Filipino journalists themselves were embarrassed by the conduct of the campaign and voting. And Marcos' appearance before the American Newspaper Publishers Association in Honolulu in April 1980 to explain (and justify) martial law, though apparently viewed favorably by the majority of Hawaii's Filipinos (many of whom come from the president's home region), did little to dampen criticism of the regime in the American and international press. Many of the accounts of the visit were critical of the president and the New Society, while concomitantly the reports often highlighted opposition to martial law by anti-Marcos forces in the U.S.

The Media after Martial Law

The termination of martial law on January 17, 1981 presages few positive changes in the Philippine mass media for the immediate future. The abolition of the print and broadcast media councils, for instance, simply resulted in shifting media industry oversight to the Securities and Exchange Commission and the Telecommunications Commission, and although Marcos averred that the government will take a "liberal attitude" toward the media, he at the same time stressed the fact that "libel and subversion" are unacceptable to the regime.⁵¹ Similarly, Gregorio Cendana, director of the National Media Production Center (NMPC) and officer-in-charge of the Ministry of Public Information, stated that while the lifting of martial law "opened wider public access to the mass media with the overall aspect of broadening and intensifying the scope of public inquiry into the affairs of the government," it did not signal a "return of the kind of irresponsible journalism of our discredited past."⁵²

Although there are signs that some of the pre-martial law flavor has returned to the Manila press with a recent upsurge of reporting on crime, graft and corruption, and official wrongdoing, press criticism has yet to extend to the activities of the president and the First Lady. And plans by the Philippine political opposition to publish a newspaper and establish a radio and television network as a means of testing government assurances of freedom of the press are as yet unrealized.⁵³ Enthusiasm for setting up an opposition press is tempered by Marcos' statement that media establishments closed in 1972 are free to reopen once absolved of subversion charges by civilian courts, and by high costs and uncertainties in the New Society. Joaquin Roces estimates it would require \$13.5 million to restart the *Manila Times*, while former Sen-

⁵¹ AFP (Hong Kong), January 15 and 23, 1981 (FBIS).

⁵² *Filipino Reporter*, February 6-12, 1981, p. 14.

⁵³ AFP (Hong Kong), January 21, 1981 (FBIS).

ator Jovito Salonga points out that newsprint is "a monopoly of the Marcos newspapers and publications" and potential advertisers continue to fear reprisals from the regime. Under these conditions Salvatore P. Lopez, former president of the University of the Philippines, feels the government should underwrite "financing for equipment purchases" and guarantee a "stable newsprint supply."⁵⁴

A significant relaxing of "self-discipline" and "self-regulation" in the controlled media seems unlikely in the New Society so long as the industry remains in the hands of the president's associates and relatives. Even though the media councils were abolished by Marcos to "pave the way for Philippine media to establish their own organizations," the Broadcast Media Council quickly announced "it will continue to be the official spokesman of the broadcast industry."⁵⁵ That the regime remains in control of the media is underscored by a rebuff of the Commission on Elections of a United Democratic Opposition (UNIDO) request for media coverage equal to the president's in discussing the April 7, 1981 plebiscite and by a refusal of Director Cendana to withdraw plebiscite "plugs" in the media considered "misleading" by opposition politicians. Opposition leaders can have equal time in the media (and other public fora), according to the government, as long as they appear simultaneously with KBL representatives and agree in advance with the government's ground rules.⁵⁶ While some joint appearances have occurred, the political opposition is still unsatisfied with press freedom in the New Society as indicated by its boycott of a television debate with Marcos on the plebiscite when the president insisted on debating nine opposition leaders rather than a single opposition representative.

Because persons still can be (and are) detained for subversion on allegedly flimsy grounds, journalists and writers will continue to exercise caution in what they report about the New Society. It is doubtful, however, that the government will risk an unpleasant confrontation with the church, which would significantly damage the regime's image abroad, by pursuing its cases in civilian courts against religious progressives for radio broadcasts and publications considered subversive under martial law, for Marcos has demonstrated considerable skill and flexibility in dealing with the Catholic and Protestant church hierarchies. In contrast, skirmishes with the international press are continuing with the appearance of unflattering stories abroad and with shrill criticism of the Western press still being voiced in the local media. But with Marcos backed by a loyal military and in control of the interim

⁵⁴ KYODO (Tokyo), January 12, 1981 (FBIS); Jovito R. Salonga, "The Philippines and the United States: A Case of Sweet and Sour Relationship," a public address given at Arizona State University, April 9, 1981, p. 13; and "A Challenge for the Press," *Asiaweek*, January 30, 1981, p. 26.

⁵⁵ *Philippines Daily Express*, January 24, 1981, pp. 1, 6.

⁵⁶ *Filipino Reporter*, March 20-26, 1981, pp. 2, 16.

national assembly, domestic oppositionists and unfavorable international press reports will have little effect on the regime's stability and ability to continue to obtain support from abroad. Thus for the near future it appears that press freedom in the Philippines will remain secondary to the achievement of the stated goals of the New Society.

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WOMEN IN POLITICS IN SRI LANKA

Robert N. Kearney

THE ESTABLISHMENT of universal adult suffrage in Sri Lanka in 1931 gave its women the right to vote on the same basis as men just three years after women in Great Britain and slightly more than a decade after women in the United States obtained this right. In 1960, Sri Lanka became the first nation in the modern world whose government was headed by a woman. Nonetheless, despite these striking achievements and a progressive narrowing of sex differentials in education and literacy, Sri Lanka has conformed to a worldwide pattern of limited political participation by women, particularly in the more active and public political roles.¹

The traditional apolitical role of women has been seen as originating in patterns of childhood socialization that define women's roles and concerns as limited to the private sphere of home and family, and that assign the public sphere, within which politics is located, to men. In addition, adult roles involving responsibilities for the home and children tend to restrict political activities by women.² Although wom-

¹ See, for example, the studies cited in Lester W. Milbrath and M. L. Goel, *Political Participation: How and Why Do People Get Involved in Politics?* 2nd ed. (Chicago: Rand McNally, 1977), pp. 116-117. An interesting exception to the general finding of lower voter participation rates for women than for men was reported in urban Chile by Steven M. Neuse, "Voting in Chile: The Feminine Response," in John A. Booth and Mitchell A. Seligson, eds., *Political Participation in Latin America*, Vol. 1: *Citizen and State* (New York: Holmes & Meier, 1978), pp. 129-144.

² See Rita Mae Kelly and Mary Boutilier, *The Making of Political Women: A Study of Socialization and Role Conflict* (Chicago: Nelson-Hall, 1978). Other discussions relating sex differences in political involvement to childhood socialization and adult roles include Melville E. Currell, *Political Woman* (London: Croom Helm, 1974), pp. 158-185; Fred I. Greenstein, *Children and Politics* (New Haven, Conn.: Yale University Press, 1965), pp. 107-127; Lynne B. Iglitzin, "The Making of the Apolitical Woman: Femininity and Sex-Stereotyping in Girls," in Jane S. Jaquette, ed., *Women in Politics* (New York: John Wiley & Sons, 1974), pp. 25-36; and Audrey Chapman Smock, "Conclusion: Determinants of Women's Roles and Status," in Janet Zollinger Giele and Audrey Chapman Smock, eds., *Women: Roles and Status*

en in Sri Lanka have been seeking employment outside the home in increasing numbers (and probably would do so even more frequently if it were not for the staggering levels of unemployment facing educated young women entering the labor force), the effects of societal role specification on the basis of sex remain strongly in evidence, and the notion that a woman's central concerns should be her home and family seems to be firmly embedded in the ethos of the society.³

Before turning to consideration of women in politics, brief note will be made of some marked changes that rapid modernization has wrought in the circumstances of Sri Lankan women over recent decades. The first and most striking development has been a gigantic leap in the prospects for physical survival. Life expectancy at birth for women climbed from 41.6 years in 1946 to 66.8 years in 1971, surpassing that of men, which in the same period rose from 43.9 years to 64 years. Deaths of infants under five years of age per 1,000 population were slightly higher among females than among males until 1947, when the mortality figure for female infants dipped below that for males; mortality rates for both sexes have sharply declined from 47.6 per 1,000 population for females and 48.2 for males in 1947 to 14.0 for females and 15.0 for males in 1975. Maternal deaths per 1,000 live births fell between 1946 and 1950 from 15.5 to 5.6 and continued steadily downward, dropping below 1.0 by 1976.⁴

A second major improvement in the circumstances of women was recorded in the field of education and literacy. Female literacy, which had been advancing steadily since the turn of the century, climbed from 55.5% of persons ten years of age and older in 1953 to 70.9% in 1971.⁵ Although the differential in levels of educational attainment between the sexes at the lower levels has continued to favor males, at the higher levels the differential has almost disappeared and in the younger age

in *Eight Countries* (New York: John Wiley & Sons, 1977), pp. 385-421. An exploration of possible influences on political involvement of differences in hormonal balance between males and females, which is linked to a greater tendency toward aggressive behavior in males and toward nurturant behavior in females, is contained in James Chowning Davies, "Political Socialization: From Womb to Childhood," in Stanley Allen Renshon, ed., *Handbook of Political Socialization: Theory and Research* (New York: Free Press, 1977), pp. 152-154. An extensive bibliography and commentary on the literature appears in Wilma Rule Krauss, "Political Implications of Gender Roles: A Review of the Literature," *American Political Science Review*, LXVIII (December 1974), pp. 1706-1723. Also very useful is Juanita H. Williams, *Psychology of Women: Behavior in a Biosocial Context* (New York: W. W. Norton & Co., 1977).

³ See Swarna Jayaweera, "Aspects of the Role and Position of Women," in Tissa Fernando and Robert N. Kearney, eds., *Modern Sri Lanka: A Society in Transition*, South Asian Series no. 4 (Syracuse, N.Y.: Maxwell School, 1979), pp. 165-180; Kumari Jayaweera, "Women and Employment," *Economic Review* (Colombo), II:6 (September 1976), pp. 14-15; and Kumari Jayawardena, "The Traditional Concept of Women and its Persistence Today," *Voice of Women* (Colombo), No. 1 (January 1980), pp. 11-13.

⁴ The data in this paragraph are from Department of Census and Statistics, *Statistical Abstract of Ceylon* (title varies) for the years 1960-1977 (Colombo: Government Press/Department of Government Printing, 1960-1979).

⁵ *Ibid.*, 1977, p. 41.

groups has shifted slightly in favor of women. In 1969–1970, 24.3% of females and 11.8% of males aged five years and older had no schooling. However, 7.1% of the females, compared to 8% of the males, had passed the General Certificate of Education (Ordinary Level) examination (taken after the tenth year of schooling) or had reached a higher level of educational attainment. Significantly, in the 15–19 year age range, 8.7% of females but only 7.7% of males had reached that level of education.⁶ The momentous alterations in women's circumstances undoubtedly have served to expand their opportunities and social and cultural horizons, with profound implications for the type, style, and extent of their political involvement as well as for many other areas of their private and public lives.

It is possible to identify many forms of political participation, ranging from voting in election contests to attendance at political meetings and rallies, membership in political organizations, participation in political strikes and demonstrations, and unconventional and illegal activities such as armed rebellion or terrorism. At the aggregate or macro level, very little can be said about political participation by women in Sri Lanka because data are absent. Even in the area of voter participation, information on participation rates by sex are not available. It should be noted, however, that the extremely high rates of voter participation, which surpassed 80% in each of the last three national elections and in 1977 neared 87%,⁷ necessarily indicate very high levels of participation by women and suggest quite narrow differentials between men and women. The 1971 census revealed that 48% of the population of voting age (eighteen years and older) were women.⁸ Since illness, absence from the constituency, physical or mental incapacity, and other causes unquestionably reduce the voting rate among men to well below 100%, the rate of participation among women must necessarily have been very high in 1977, probably reaching or surpassing 80%.⁹ The lingering influence of the belief in the need to protect and segregate women can be seen in the provision of a small number of polling stations exclusively for use by women, principally in areas populated by members of the Muslim minority. Of a total of 6,280 polling stations in the 1977 election, 247 (about 4%) were reserved for

⁶ Department of Census and Statistics, *Socio-Economic Survey of Sri Lanka, 1969–70, Rounds 1–4*, Vol. I: *Population, Labour Force, and Housing* (Colombo: Department of Census and Statistics, 1973), p. 11.

⁷ *Report on the General Election to the Second National State Assembly of Sri Lanka (Eighth Parliamentary General Election), 21st July, 1977*, Sessional Paper IV—1978 (Colombo: Department of Government Printing, 1978), p. 81.

⁸ Department of Census and Statistics, *Census of Population, 1971*, Vol. II, Part I (Colombo: Department of Government Printing, 1975), pp. 10–13. The total population eighteen years of age and older is not congruent with the electorate, as the former includes more than one million non-citizens who are excluded from the franchise. However, the proportion of eligible voters who were women is not likely to differ substantially. Data on citizens by single years of age is not available, but 47.7% of all citizens aged 20 years or older were women. *Ibid.*, pp. 29–31.

⁹ In the extremely unlikely event that 95% of all eligible males voted in 1977, more than 78% of eligible females must also have voted.

women voters. Two decades earlier, in the 1956 election, 175 polling stations had been reserved for women, about 7% of the 2,433 polling stations provided in that election.¹⁰

All the major political parties have for many years maintained women's sections or societies. Women have been estimated to constitute between one-quarter and one-third of the membership of major parties, but a much smaller fraction of party officers.¹¹ The United National Party (UNP), as one example, formed an All-Ceylon Women's Union of the party, generally called the women's section, in 1949.¹² A decade later, the women's section was merged with the regular party organization and its branches were directly affiliated with the party.¹³ In 1973, when the party moved from an organization based on branches in the polling areas to one based on parliamentary constituency associations, a women's association was authorized within each of the constituency associations.¹⁴ In 1969, one woman was among the party's 13 officers, and the 51-member working committee of the party included two women.¹⁵ The sixteen officers of the Sri Lanka Freedom Party (SLFP) selected in 1970 included two women, one of whom was the party's president.¹⁶ The 55-member central committee chosen by the Lanka Sama Samaja Party (LSSP) in 1972 included only one woman, and no women were among the ten persons subsequently named to the party's politbureau.¹⁷

Little can be said with confidence about such forms of participation as attendance at political rallies and meetings. The impressionistic observation might be made that urban political rallies appear to be heavily male dominated but that public political functions in the rural areas often seem to attract considerable numbers of women—at least until sundown, when bottles of arrack (a local alcoholic beverage) commonly appear and the women melt away from the crowds.

It is not, however, the relatively casual and undemanding political participation by large numbers of women, but the more direct, individual involvement with politics of a very small number of "political women"—that miniscule minority of all women who have sought or occupied elective public office—that is the chief concern of this article.¹⁸

¹⁰ *Report on the General Election to the Second National State Assembly*, p. 61.

¹¹ Jayaweera, "Aspects of the Role and Position of Women," p. 166. Similarly, see Hema Goonatilake, "Social and Political Participation: Tradition, Prejudice, Myth, Reality," *Economic Review* (Colombo), II:6 (September 1976), p. 17.

¹² *U.N.P. Journal*, April 8, 1949.

¹³ *Ibid.*, May 1, 1959.

¹⁴ *United National Party Constitution, 1973* (Colombo: United National Party, 1973), p. 6.

¹⁵ *United National Party 18th Annual Session, 23rd & 24th February, 1969, Kuliyaipitiya* (Colombo: United National Party, n.d.), pp. 23-24.

¹⁶ *Ceylon Daily News*, November 19, 1970.

¹⁷ *Ibid.*, November 7 and 14, 1972; *Ceylon Daily Mirror*, November 7, 1972.

¹⁸ A narrow definition of "political women," limited to those who have sought or held elective political office, is used here, although a broader definition might well include women who have been active within political parties and their ancillary organizations even if they did not seek public office. Women in the United States

Since only a minute fraction of the male population of Sri Lanka, or any other nation, ever seeks elective office, persons of either sex who enter competitive election contests are a small and exclusive company who engage in an activity not entered into by the vast majority of their fellow citizens. The "political women" constitute an even more unique group since they take part in an overwhelmingly male-dominated activity in an area socially defined as the conventional sphere of males.

Women in National Politics

Over the past three decades, between 1% and 4% of the members of Sri Lanka's parliament¹⁹ have been women. While this figure is strikingly small in view of the fact that women form nearly half of the adult population, it is not substantially different from the proportions of women found in most national legislative bodies that are chosen in competitive elections. The political circumstances of women in Sri Lanka seem to parallel those of women in India, where, relative to males, women are grossly underrepresented in political office. However, the representation of women does not differ greatly from that of women in other nations of the world. Also, in Sri Lanka, as in India, a very few women have attained considerable prominence in politics, possibly conveying a distorted impression of the political roles and opportunities available to women generally.²⁰

The first women legislator in Sri Lanka was Lady Adeline Molamure, who entered the preindependence State Council in 1931 after winning a by-election necessitated by the death of her father, who had been elected to the seat at a general election earlier that year. Lady Adeline, whose husband served as speaker of the State Council and after independence as speaker of the House of Representatives, was defeated in a reelection bid in 1936, but subsequently served in the Senate, becoming deputy president of that body. A second woman, Naysum Saravanamuttu, entered the State Council in a by-election and was reelected in the 1936 general election.

The number of women who have sought and who have won election to parliament in general elections between 1947 and 1977 is indi-

have been found to be engaged in this latter type of activity much more commonly than they have in the more public and competitive activity of seeking or holding elective office. See Edmond Costantini and Kenneth H. Craik, "Women as Politicians: The Social Background, Personality, and Political Careers of Female Party Leaders," *Journal of Social Issues*, XXVIII (1972), pp. 227-235. Also, see Diane L. Fowlkes, Jerry Perkins, and Sue Tolleson Rinehart, "Gender Roles and Party Roles," *American Political Science Review*, LXXIII (September 1979), pp. 772-780.

¹⁹ References to parliament or the national legislature will be to the 1947-1972 House of Representatives, the 1972-1978 National State Assembly, and the post-1978 single-chamber Parliament. The indirectly elected and appointed Senate in existence from 1947 to 1971 will be excluded unless specific reference to it is made.

²⁰ See Mary Fainsod Katzenstein, "Towards Equality? Cause and Consequence of the Political Prominence of Women in India," *Asian Survey*, XVIII:5 (May 1978), pp. 473-486.

cated in Table 1.²¹ The largest number of women candidates appeared in the chaotic election of March 1960, following a period of political confusion, when sixteen women were among the record 899 candidates crowding onto the ballot to contest 151 parliamentary seats. The largest number of women to be elected was six in 1970. In the next election, although the size of the legislative chamber was increased, the number of successful women candidates fell to four (soon raised to five in a by-election a few months later).

TABLE 1: Women Candidates and Women Elected in Parliamentary General Elections, 1947-1977

Election	Candidates*			Elected		
	Total number	Number of women	Percentage of women	Total number	Number of women	Percentage of women
1947	361	3	0.8	95	1	1.1
1952	303	9	3.0	95	2	2.1
1956	249	5	2.0	95	3	3.2
March 1960	899	16	1.8	151	3	2.0
July 1960	393	5	1.3	151	2	1.3
1965	495	12	2.4	151	4	2.6
1970	441	14	3.2	151	6	4.0
1977	756	14	1.9	168	4	2.4

SOURCE: See note 21.

* Fourteen women candidates in March 1960 and thirteen in 1965 were reported in *Report on the General Election to the Second National State Assembly*, p. 81. However, an examination of the results for those elections made it possible to identify sixteen women candidates in the former but only twelve in the latter election.

Perhaps more striking than the small numbers of women elected to parliament are the very small numbers of women candidates. With the single exception of the 1952 election, women candidates have consisted of the number of candidates)²² than men, as is indicated in Table 2.

²¹ The data on women candidates and victors in parliamentary contests, including those presented in Tables 1-3, have been assembled from W. Ivor Jennings, "The Ceylon General Election of 1947," *University of Ceylon Review*, VI (July 1948), pp. 133-195; the Ceylon Daily News, *Parliament of Ceylon* volumes for 1956, 1960, 1965, 1970, and (*Parliament of Sri Lanka*) 1977 (Colombo: Associated Newspapers of Ceylon, n.d.); Department of Elections, *Results of Parliamentary General Elections in Ceylon, 1947-1970* (Colombo: Department of Government Printing, 1971); *Report on the Parliamentary General Elections, 19th March and 20th July, 1960*, Sessional Paper II-1962 (Colombo: Government Press, 1962); *Report on the Seventh Parliamentary General Election in Ceylon, 27th May, 1970*, Sessional Paper VII-1971 (Colombo: Department of Government Printing, 1971); and *Report on the General Election to the Second National State Assembly*.

²² The success rate employed here has been borrowed from Clurell, *Political Woman*, pp. 24-25.

TABLE 2: Percentage Success Rates for Men and Women Candidates in Parliamentary General Elections, 1947-1977

Election	Women Candidates	Men Candidates
1947	33.3	26.3
1952	22.2	31.6
1956	60.0	37.7
March 1960	18.8	16.8
July 1960	40.0	38.4
1965	33.3	30.4
1970	42.9	34.0
1977	28.6	22.1

SOURCE: Derived from Table 1.

tently achieved a higher success rate (the number elected as a percentage). In other words, when women contest, they stand a better chance of election than do men. Examination of women who have been candidates and who have been elected by political party (Table 3) suggests an explanation. The ranks of candidates are frequently swollen by hordes of independents and candidates of minor ephemeral parties, who regularly go down to defeat. Relatively few women have contested who have not had the nomination of one of the durable parties. The case of Kusuma Rajaratne, who was elected four times as a candidate of the minute and short-lived Jathika Vimukthi Peramuna (nicknamed the "husband-and-wife party"), is unique. Only eight times have women contested general elections as independents, and, excluding Mrs. Rajaratne who contested three general elections, only eight times have women contested as candidates of one of the small ephemeral parties. For the more durable parties, women have entered general elections as candidates of the LSSP seventeen times, the UNP sixteen times, the SLFP fifteen times, the Mahajana Eksath Peramuna (and its predecessor, the Viplavakari Lanka Sama Samaja Party) eight times, and of the Communist Party three times. Women candidates of the major parties have done well when the party does well. In the UNP landslide of 1977, all three of that party's women candidates were elected; similarly, all four of the SLFP's women candidates and both women candidates of the LSSP were elected when a United Front including those two parties was victorious in 1970.

Including by-elections, 49 women have been candidates for seats in parliament since 1947, 31 of whom contested only once. But Vivienne Goonewardena and Kusuma Gunawardena each entered election contests eight times, Wimala Kannangara contested six, and Tamara Ilanaratne five elections. Nearly all the women candidates have belonged to the island's Sinhala ethnic majority and have contested in predominantly Sinhala constituencies. Only once has a woman candidate, an independent in 1977, appeared in the Northern Province, the home of the Ceylon Tamil ethnic minority. This may imply a somewhat swifter

TABLE 3: Women Candidates and Women Elected to Parliament, by Party, 1947-1977

Election and Party	Total candidates	Women candidates	Women elected
<i>1947</i>			
Lanka Sama Samaja Party	28	1	1
Communist Party	13	1	0
Other parties	139	0	0
Independents	181	1	0
Total	361	3	1
<i>1952</i>			
United National Party	81	1	0
Sri Lanka Freedom Party	48	2	0
Lanka Sama Samaja Party	39	2	0
Communist Party/Viplavakari			
Lanka Sama Samaja Party	19	2	2
Other parties	31	0	0
Independents	85	2	0
Total	303	9	2
<i>1956</i>			
United National Party	76	2	0
Sri Lanka Freedom Party/			
Mahajana Eksath Peramuna	60	2	2
Lanka Sama Samaja Party	21	1	1
Other parties and			
independents	92	0	0
Total	249	5	3
<i>March 1960</i>			
United National Party	127	3	1
Lanka Sama Samaja Party	101	5	1
Jathika Vimukthi Peramuna	2	1	1
Mahajana Eksath Peramuna	89	1	0
Lanka Prajathanthravadi Pakshaya	99	3	0
Other parties	313	0	0
Independents	168	3	0
Total	899	16	3
<i>July 1960</i>			
United National Party	128	1	0
Lanka Sama Samaja Party	21	2	1
Jathika Vimukthi Peramuna	2	1	1
Mahajana Eksath Peramuna	55	1	0
Other parties and independents	187	0	0
Total	393	5	2
<i>1965</i>			
United National Party	116	3	1
Sri Lanka Freedom Party	101	4	2
Lanka Sama Samaja Party	25	2	0
Mahajana Eksath Peramuna	61	1	0
Jathika Vimukthi Peramuna	10	1	1
Sri Lanka Freedom Socialist Party	32	1	0
Other parties and independents	150	0	0
Total	495	12	4

TABLE 3: Women Candidates and Women Elected to Parliament, by Party, 1947-1977 (Continued).

Election and Party	Total candidates	Women candidates	Women elected
<i>1970</i>			
United National Party	130	3	0
Sri Lanka Freedom Party	108	4	4
Lanka Sama Samaja Party	23	2	2
Sinhala Mahajana Pakshaya	49	4	0
Mahajana Eksath Peramuna	4	1	0
Other parties and independents	127	0	0
Total	441	14	6
<i>1977</i>			
United National Party	154	3	3
Sri Lanka Freedom Party	147	4	1
Lanka Sama Samaja Party	82	2	0
Mahajana Eksath Peramuna	27	2	0
Communist Party	25	1	0
Other parties	26	0	0
Independents	295	2	0
Total	756	14	4

SOURCE: See note 21.

loosening of the traditional notions of sex roles and spheres among the Sinhala population.

Of the seventeen women who have been elected to parliament since 1947, more than half were elected (or first elected) to parliament as the replacement for a husband or a father who had died or who was barred from contesting for legal infractions. In addition, Sirimavo Bandaranaike, although she did not contest a seat in parliament until 1965, in 1960 succeeded her assassinated husband, after a short interval, as head of the SLFP and as prime minister. She was appointed to the Senate to enable her to serve in the latter post.

In other countries as well the path to political office for a woman is frequently "mediated" by a male relative—that is, initial entrance into the office results from a relationship to a male, commonly the previous incumbent. Kelly and Boutilier have divided women elected to public office into "mediated" and "political efficacy" categories. Within the former category are women whose entry into elective politics resulted directly from a relationship to a male, while the latter includes women whose political careers were shaped from the beginning by their own choices, attributes, and efforts, grounded in a strong sense of their own political efficacy. The "mediated" women are further divided into those whose political careers were essentially limited to the achievements obtained through male mediation and those who, after assuming political office through male mediation, were resocialized and developed independent political careers.²³ Representatives of each of the two

²³ Kelly and Boutilier, *The Making of Political Women*, pp. 86-89 and *passim*.

"mediated" types and of the "political efficacy" type can be identified among the women who have been elected to parliament in Sri Lanka. Among those whose entry into political office was mediated by a male relative were Kusuma Gunawardena, Doreen Wickremasinghe, Tamara Ilangaratne, Kusuma Rajaratne, and Mallika Ratwatte, each of whom replaced a husband who was barred from contesting. In addition, Amarawathie Ratnayake was elected to the parliamentary seat held by her husband until his death, and Sunethra Ranasinghe succeeded her father in parliament following his death. Having once attained office, however, a number of these women continued in political careers. Mrs. Gunawardena, Mrs. Ilangaratne, Mrs. Rajaratne, and Mrs. Ratwatte each subsequently contested and won a parliamentary seat at least once.

Sirimavo Bandaranaike seems to provide an example of adult re-socialization and the development of an independent political career after commencing the career through male mediation. Her initial entry into active politics followed the assassination of her husband, Prime Minister S. W. R. D. Bandaranaike, and her early political appeals were based on continuing the policies of her deceased husband. Over the following years, however, she gradually emerged as an independent political actor. Her husband served as prime minister for about three and a half years. Mrs. Bandaranaike served as prime minister for nearly twelve years, longer than any other person, and as leader of the opposition for five years. For more than twenty years after her husband's death she remained at the helm of the SLFP.

A number of others among the political women—those elected to parliament as well as those contesting seats unsuccessfully—came from political families or had close male relatives in politics (this circumstance, however, is not limited to women; many of the men who have sought or held elective office also have come from political families and have had close relatives in office). The husband of Siva Obeyesekere, after being elected to parliament as an SLFP candidate in 1960, did not seek reelection in 1965, allowing Sirimavo Bandaranaike to contest the seat that S. W. R. D. Bandaranaike had once held. Mrs. Obeyesekere won election from an adjacent constituency in 1965 and reelection in 1970, but in 1977 she withdrew from elective politics and her husband unsuccessfully contested the seat she had held. In 1977 Renuka Herath was elected to parliament as a UNP candidate from a constituency contested earlier by her father, who had long been active in the UNP. Sita Seneviratne, a candidate of the UNP in three unsuccessful parliamentary contests, is a daughter of one-time Speaker of the House Sir Francis Molamure and Lady Adeline Molamure, Sri Lanka's first woman legislator.

Among the women who can be deemed to have had independent political careers from their commencement are Kusala Abhayavardhana, Vivienne Goonewardena, and Wimala Kannangara. The husbands of the former two have been politically active and may have provided guidance and support for their wives' careers, but the women became

involved in politics prior to their marriages and won political office on their own. Mrs. Goonewardena became actively involved in the LSSP while in her twenties, served on the Colombo Municipal Council for fourteen years, and since 1952 has contested each of the seven parliamentary general elections and one by-election. Mrs. Kannangara contested each parliamentary general election since 1956, was elected three times, and became one of four women ever to serve as a minister in the cabinet.

Within developing countries, it has been argued, although the notions of women's roles as excluding public life remain prevalent, a relatively low or uneven level of institutionalization and the enduring strength of kinship permit a wife or daughter to succeed to a vacated public office as a symbol of or stand-in for the former male occupant, in the absence of a suitable male heir.²⁴ This explanation appears to be applicable in the case of Sri Lanka. A majority of the women elected to national office obtained the office as a representative of a male relative. One additional factor, however, deserves comment. It is not uncommon for the wife of a member of parliament to assume responsibilities for work within her husband's constituency. Consequently, she may become well acquainted with the local political situation and the affairs of the constituency association or party branches. In the event of a sudden vacancy due to the death or disqualification of the husband, the wife may in fact be the most knowledgeable and favorably situated candidate to succeed him. In some cases, this may also apply to succession from father to daughter. Sunethra Ranasinghe had served for a number of years as personal secretary to her father, S. de S. Jayasinghe, who was elected to parliament three times. On the father's death a few months after he was returned in the 1977 election, Mrs. Ranasinghe was selected as the candidate of her father's party, the UNP, and won the ensuing by-election.

The operation of the closed list system of proportional representation provided for in the 1978 constitution, although not yet tested in a parliamentary election, may well foreclose one of the most common routes to political office for women, because a vacancy caused by death or disqualification presumably will be filled by moving down the list rather than by selecting a stand-in or successor for the former officeholder. Also, with very large electoral districts and many representatives from each, the advantage of intimate knowledge of the constituency is likely to decline.

In a closed list electoral system each contending political party or group offers an ordered list of candidates for election from a multi-member district (or from the nation as a whole, functioning as a single

²⁴ This argument was presented in explaining the attainment of prominent public office by a small number of women in India by Katzenstein, "Toward Equality," p. 481. On the role of kinship in the politics of Sri Lanka, see Janice Jiggins, *Caste and Family in the Politics of the Sinhalese, 1947-1976* (Cambridge, England: Cambridge University Press, 1979).

electoral district), and the voter's choice is limited to selection of one of the lists. Seats are allocated to each list in roughly the same proportion as the share of the total vote received by the list. The seats are then assigned to individual candidates in the order in which their names appear on the list, which is determined by the party officers. The success of women in entering parliament, hence, depends upon the number of women candidates included and their ordinal positions on the lists. It has been noted that women have constituted a larger proportion of the members of legislatures in democratic nations utilizing the list system than in those utilizing single-member districts.²⁵ However, this conclusion seems largely based on experience with the list system in Scandinavia, where cultural and social circumstances appear to favor the inclusion of relatively large proportions of women candidates on the lists. Where cultural values and social practices militate against women seeking political office, there is no reason to assume that the list system would improve the representation of women in the legislature. In Sri Lanka, the use of the list system in local government elections in 1979 (discussed below) did not enhance the proportion of women elected to local government bodies.

Six women served in Sri Lanka's feeble second chamber, the Senate, which was abolished in 1971. Half of the Senate's 30 members were elected by the lower chamber, the House of Representatives, and half were appointed on the advice of the cabinet. Only two women were elected to the Senate, Lady Adeline Molamure in 1947 and Mrs. Clodagh Kitichalan in 1955. The women appointed to the Senate were Cissie Cooray in 1947, Lady Evelyn de Soysa in 1958, Sirimavo Bandaranaike in 1960, and Sita Seneviratne in 1967.

Since cabinets are composed of members of parliament, one consequence of the very small number of women found in parliament, and the even smaller number who have served consecutive terms, has been that very few women have served as cabinet ministers. The first woman to serve in a cabinet was Vimala Wijewardena, minister of health from 1956 to 1959 who briefly served as minister of local government in the latter year. Mrs. Wijewardena's political career ended in controversy growing out of her association with the convicted conspirators in the assassination of S. W. R. D. Bandaranaike.²⁶ Sirimavo Bandaranaike headed the cabinet as prime minister from 1960 to 1965 and again from 1970 to 1977. Siva Obeyesekere was named minister of health in 1976 and held the post until the SLFP election defeat the following year. Wimala Kannangara was appointed minister of shipping, aviation, and

²⁵ Krauss, "Political Implications of Gender Roles," p. 1712; Ingunn Norderval Means, "Scandinavian Women," in Lynne B. Iglitzin and Ruth Ross, eds., *Women in the World: A Comparative Study* (Santa Barbara, Calif.: Clio Books, 1976), p. 383.

²⁶ See *Report to His Excellency the Governor-General by the Commission Appointed in Terms of the Commissions of Inquiry Act To Inquire into and Report on Certain Matters Connected with the Assassination of the Late Prime Minister Solomon West Ridgeway Dias Bandaranaike*, Sessional Paper III—1965 (Colombo: Government Press, 1965), pp. 41–59.

tourism in the UNP government formed in 1977, and in a cabinet reshuffle following the adoption of the 1978 constitution she became minister of rural development. When district ministers, not included in the cabinet, were appointed for the first time in 1978, Renuka Herath became district minister for Nuwara Eliya. Mrs. Obeyesekere and Mrs. Kannangara had both previously served as parliamentary secretaries (after 1972 titled deputy ministers), as did Vivienne Goonewardena and Kusuma Rajaratne. Hence, despite the fact that a woman headed the cabinet for more than half of the two decades after 1960, women have played an extremely small role in the top executive body of the government. For only one year, in 1976–1977, were two women simultaneously members of the cabinet—together with eighteen men. In 1947–1956, 1959–1960, and 1965–1970, no women served in the cabinet.

Women in Local Government

Examination of the role women play in local government bodies not only can provide information on women's involvement in that area, but also may offer some indication of women's opportunities for political office at the national level. Units of local government in Sri Lanka are divided into four categories roughly corresponding to the degree of urbanization. The larger cities are governed by municipal councils, smaller urban areas by urban councils, yet smaller towns by town councils, and the remainder of the island by village councils (most of which encompass more than one village). More than three-quarters of the island's population live in village council areas. The members of the councils are directly elected by the voters of the locality, until 1979 from single-member districts. In 1979, elections utilizing the list system of proportional representation were conducted for municipal and urban councils. Until 1979, no elections to local bodies had been held since a round of elections between 1968 and early 1970. The members elected to municipal councils choose from among themselves a mayor and a deputy mayor, and the members of other councils choose from their membership a chairman and a vice chairman.²⁷

Table 4 presents a compilation of the number and proportion of women serving in local government bodies in 1966 and 1970—that is, shortly before and after the 1968–1970 elections. (Information concerning village councils was available only for chairmen and vice chairmen.) Women were even more poorly represented in local government bodies than in the national parliament. Furthermore, underrepresentation was more marked in the town councils than in the municipal and urban councils. Although comparable information on the membership of village councils was lacking, impressionistic indications, together with the near absence of women chairmen or vice chairmen of these bodies, suggest that women were as underrepresented in the village councils as in

²⁷ The official designations of these posts are "chairman" and "vice chairman" irrespective of the sex of the occupant.

TABLE 4: Women in Local Government Bodies, 1966 and 1970

Local government unit	1966			1970		
	Total number	Number of women	Percentage of women	Total number	Number of women	Percentage of women
Municipal councils						
Members ^a	178	2	1.1	204	6	2.9
Urban councils						
Members ^b	301	7	2.3	212	4	1.9
Chairmen	34	—	—	25	—	—
Vice chairmen	34	—	—	22	1	4.5
Town councils						
Members ^b	469	7	1.5	388	3	0.8
Chairmen	74	1	1.4	63	—	—
Vice chairmen	67	1	1.5	58	—	—
Village councils						
Chairmen	208	1	0.5	203	1	0.5
Vice chairmen	204	—	—	198	—	—

SOURCE: Compiled from *Ferguson's Ceylon Directory* for 1966 and 1972 (Colombo: Associated Newspapers of Ceylon, 1966, 1972).

^a Includes mayors and deputy mayors. None of the eighteen mayors and deputy mayors in 1966 or the twenty-two mayors and deputy mayors in 1970 was a woman.

^b Includes chairmen and vice chairmen.

the town councils. Of 553 chairmen and vice chairmen of town and village councils in 1966, only three were women, while the 522 chairmen and vice chairmen of these bodies in 1970 included only one woman. In 1966, of nine municipal councils, only that of Colombo contained any women members, although in 1970 six of eleven municipal councils included a woman among their members.

Women fared no better in the 1979 elections for nine municipal councils and 34 urban councils. Of 2,510 candidates, less than 50 were women.²⁸ Four women were among the 192 members elected to municipal council seats, and three women were among the 316 elected to urban council seats.²⁹ Following the election, a woman was for the first time chosen deputy mayor of Kandy, the principal city of the interior highlands.

The municipal council of Colombo, the nation's capital and premier city, was formed in 1865, the first elective institution of government on the island. The first woman member entered the council in

²⁸ The number of women candidates was derived from the lists of candidates published in *The Gazette of the Democratic Socialist Republic of Sri Lanka, Extraordinary*, nos. 33/5-33/23 (April 25, 1979). The count was subject to some inaccuracies, but it seems virtually certain that women candidates numbered less than fifty.

²⁹ Based on election results reported in *Ceylon Daily News*, May 21, 1979.

1937, but the body included no women members from 1938 until 1950, when three women joined the council. It seems that only six women have served in the council in its 115 years of existence.³⁰ No women were elected to the body in 1979, so the council became totally male for the first time since 1950.

The conclusion seems clear that the prospects for service in local government bodies, particularly in the rural areas, are limited for women almost to the point of nonexistence. That women seem to have had slightly greater opportunities for local political office in the cities than in the rural areas could reflect the stronger hold of traditional views on sex roles and appropriate spheres of activity for women in the small towns and villages. However, women have been able to win election to parliament from predominantly rural constituencies—frequently, but not always, as an heir to or stand-in for a male relative. The extremely small number of women found within town and village councils may be attributable less to an unwillingness of rural voters to elect a woman, especially a woman candidate of a major political party, than to a dearth of women candidates. Rural women are less likely than women in the cities to be subject to experiences and involved in activities that make politics salient for them and heighten their sense of personal political efficacy—such factors as higher education, a career outside the home, and participation in service, welfare, or other types of organizations. Hence, rural women may be expected to be less likely to seek or accept candidacy for political office, even if male kinsmen had been active in local politics. Women political office seekers have been from the higher socio-economic strata and have attained high levels of education even more consistently than their male counterparts.³¹ Such women are much more likely to reside in urban than in rural areas. The women who could be considered potential political office seekers, thus, tend to be geographically removed from the town and village council areas and presumably unaware of or uninterested in the parochial concerns and factional conflicts that occupy the rural councils.

The extremely small number of women serving in local councils, especially in rural areas, not only has implications for the direct parti-

³⁰ Based on a list of council members from 1865 to 1964 contained in H. A. J. Hulugalle, *Centenary Volume of the Colombo Municipal Council, 1865-1965* (Colombo: Colombo Municipal Council, 1965), pp. 55-64; and the composition of the council following elections in 1965 and 1969, reported in *Ferguson's Ceylon Directory* for 1966 and 1972 (Colombo: Associated Newspaper of Ceylon, 1966, 1972).

³¹ Of the ten women elected to parliament in the last three general elections, for example, four were educated in the most exclusive and prestigious girls' schools of Colombo—St. Bridget's Convent and Ladies College. Of the others, three were university graduates, two of whom studied at the University of London, and two completed teachers' training college. Only one of the ten had not either attended the prestige girls' schools or completed a post-secondary course of study at a time when higher education for girls was much less common than it has become in recent years. At least five of the women are connected with prominent and wealthy families, three (including Sirimavo Bandaranaike) with the Kandyan aristocratic Ratwatte-Obeyesekere family. The husbands of eight of the ten are or once were actively involved in politics.

cipation by women in the affairs of local government across the island, but also may constitute a significant impediment to women's access to national political office. A common career pattern for male politicians, particularly those who commence political careers early in adulthood, has been to seek election to a local government body, possibly to become its chairman, and then to become a candidate for election to parliament. The chairmanships of town councils and village councils are particularly common springboards for parliamentary candidacy. The role of local government bodies as training grounds and stepping stones for national office is suggested in the data presented in Table 5. Rough-

TABLE 5: Prior Local Government Service of Members of Parliament Elected in 1965, 1970, and 1977, by Sex

Local government service	1965		1970		1977	
	Men	Women	Men	Women	Men	Women
Municipal councils	17	—	16	1	15	—
Urban councils	17	—	9	—	11	—
Town councils	5	—	1	—	10	—
(chairmen)	(4)		(1)		(10)	
Village councils	33	1	38	—	28	1
(chairmen)	(27)	(1)	(31)		(16)	(1)
Total number with local government service	69 ^a	1	62 ^b	1	62 ^b	1
Percentage having local government service	46.9 (n=147)	25.0 (n=4)	42.8 (n=145)	16.7 (n=6)	37.8 (n=164)	25.0 (n=4)

SOURCE: Tabulated from biographical information contained in Ceylon Daily News, *Parliament of Ceylon, 1965* (Colombo: Associated Newspapers of Ceylon, n.d.), and the comparable Ceylon Daily News volumes for 1970 and 1977.

^a Three persons served on more than one type of local government body.

^b Two persons served on more than one type of local government body.

ly two-fifths of the men elected to parliament in 1965, 1970, and 1977 had been members of a local government body. In 1965 and 1970 more than one-fifth and in 1977 nearly one-sixth of the men had been chairmen of town or village councils.³² Only one of the women elected to parliament in each of these elections, Wimala Kannangara in 1965 and 1977 and Vivienne Goonewardena in 1970, had served on a local council. The only one who had served as a village council chairman was Mrs. Kannangara, whose career pattern resembles that of many successful male politicians, moving from rural local government to parliament and eventually to a cabinet post. The paucity of women in local government bodies means that very few women are in a position to follow this path of recruitment to national political office.

³² Because the biographical information on which this tabulation is based is very sketchy for some male members of parliament (but not for any of the small number of female members), the proportion of males with prior service on local government bodies may be understated.

Conclusion

The contemporary circumstances of women in the public life of Sri Lanka reveal many contradictions and anomalies. Women are found in university faculties, in the legal and medical professions, in the trade unions, and in the national legislature. Yet, traditional views of the proper role and sphere of women are tenacious. Sirimavo Bandaranaike, the world's first woman prime minister, concluded an address to a seminar held in connection with the 1975 observance of International Women's Year with the affirmation that "it is my firm belief that we should make it a point not to forget the very important place women are occupying in family life and in bringing up their children properly."³³

Despite the achievements of some prominent political women, very few women have entered the public political life of the nation. However, the opportunities for women to obtain political office, while meagre, do not appear to be markedly different from those of women in most other contemporary nations. The number of women candidates and women elected to parliament has edged slowly upward over the past thirty years. The average number of women candidates in the last three elections (about 13) is double the average of about six per election in the first three elections following independence. Nonetheless, the fact remains that women have never constituted more than 3.2% of the candidates or 4% of the members elected to parliament in a general election.

That few women have found their way into parliament can be attributed to the very small number of women candidates who contest parliamentary elections. The small number of women candidates, in turn, can be explained, in part, by the lingering force of attitudes and values that limit women's concerns to the private realm of home and family and, in part, by circumstances that dampen the opportunities for candidacy. Those women whose life experiences are more likely to emphasize the salience of politics and to strengthen a sense of personal political efficacy tend to be concentrated in the urban areas, removed from the numerous units of rural local government that for men frequently serve as points of entry into political careers. In addition, many men who seek political office for the first time in middle or later life do so after a career in the government bureaucracy, which has involved them with public issues and has provided contacts with political office-holders, presumably contributing to a high level of awareness of and interest in politics. Women were totally absent from the administrative grades of the bureaucracy until recent years and their entrance continues to be limited, thus constricting for women another common avenue to political office.

Some women, however, have secured national political office. For a

³³ Sirimavo Bandaranaike, "Role of Women in Nation's Progress," *Sri Lanka Today*, XXIII (April-June 1975), p. 6.

majority, initial entry was as a replacement for a husband or father, although many subsequently continued to hold or seek office. For the tiny band who independently launched successful political careers, explanation of their untypical behavior presumably must be sought in the early socialization experiences and adult circumstances that eroded the rigidity of sex roles and stereotypes, allowed the development of an uncommon sense of political efficacy, underscored the salience of politics, and opened life opportunities that made possible the pursuit of a political career. These self-directed political women frequently have come from political families that supplied political role models (albeit, usually male), and virtually always from the higher socio-economic strata providing superior educational opportunities and freedom from total confinement to the roles of wage earner or homemaker. It can be presumed that continuing modernization will lead to greater flexibility in the life pursuits available to women and to improved life circumstances that will enhance the autonomy and sense of personal efficacy of women, with the result that a steadily growing number of women will enter the political life of the nation.

THE DEMOCRACY MOVEMENT IN CHINA, 1978–1979: OPPOSITION MOVEMENTS, WALL POSTER CAMPAIGNS, AND UNDERGROUND JOURNALS

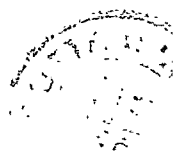
Kjeld Erik Brodsgaard*

THE BEIJING SPRING or the Chinese Democracy Movement began as a *dazibao*¹ movement in Beijing in November 1978. The movement soon spread all over China and by Christmas engulfed all the major cities of the country. Activists organized into groups and started to publish poorly printed, unofficial journals—underground journals (*dixia kanwu*), as they have been called. These journals quickly became the principal media of the Democracy Movement.

In spite of varying philosophical and political orientations, the different democratic groups formed a kind of loose coalition. Their rallying point was the demand for democracy which Wei Jingsheng, one of the prominent figures of the Democracy Movement, had dubbed “The Fifth Modernization.” This demand does not imply opposition to the Four Modernizations, which are designed to change China into a modern, industrial society by the year 2000 through modernization of agriculture, industry, defense, and science and technology, but rather suggests that the modernization program is insufficient because it does not embrace that vitally important element without which the others will not or cannot be achieved—the modernization of democratic con-

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¹ Wall posters in Chinese are called either *dazibao* (“big-character notices”) or *xiaozibao* (“small-character notices”). Of these, *dazibao* are by far the most important.



ditions. The primary demands of the Democracy Movement were civil liberties, basic economic rights, and a higher degree of freedom vis-à-vis state and party.

In March 1979, the Chinese authorities clamped down on the Democracy Movement, arresting several of its most prominent leaders. During the summer and early fall of 1979, the remaining organizations and groups were again allowed to voice criticism, but in December the final crackdown was launched by the Chinese leadership.

The rise and fall of the Democracy Movement, 1978–1979, is the primary concern of the present article. An attempt to sketch the contemporary political context is followed by a discussion of the different democratic organizations and their journals and, finally, an attempt to assess the importance of the movement. To put the basic themes of the Democracy Movement of 1978–1979 into a historical perspective, we must survey a number of similar, although not quite identical, phenomena—the outbreak of the Cultural Revolution, the Li Yi Zhe manifesto of November 1974, and the Tian'anmen incident in April 1976.

The Cultural Revolution

The Cultural Revolution may have been launched by Mao Zedong in order to purge his political opponents in the very center of the party and state apparatus,² but the political forces (primarily the Red Guards) released by Mao's call to "Bombard the Headquarters" broadened the struggle. The realization of a socialist utopia became the dominant theme by late 1966. The fight against individual powerholders turned into an anti-bureaucratic struggle and eventually engulfed close allies of Mao himself.³ The opposition against the Establishment in the universities was soon joined by declassé "rusticated youths," who returned to the cities in large numbers, and was transformed into a movement for a genuine proletarian culture and education. The Red Guard movement developed its own momentum and sought to establish links with the Chinese workers; this constituted a threat to the party, which since 1949 had successfully prevented any alliance between the intellectuals and the working class—the most potent political alliance of all. In 1957, in the wake of the Hundred Flowers Movement, the intelligentsia had been effectively silenced as a result of a repressive Anti-Rightist Movement. But in 1966–1967 the heirs to the crippled intelligentsia, the young Red Guards, swept the country and established contacts with

² It is the prevailing view that a split between a Mao Zedong faction and a Liu Shaoqi faction developed in the aftermath of the Great Leap Forward, constituting one of the main factors behind Mao's decision to launch the Cultural Revolution. Consequently, most of the literature on the Cultural Revolution deals mainly with the conflict among the elite.

³ David Milton and Nancy Milton, *The Wind Will Not Subside: Years in Revolutionary China, 1964–69* (New York: Pantheon Books, 1976), p. 279; Helmut Opletal und Peter Schier, *China: wer gegen wen?* (Berlin Rotbuch Verlag, 1977), p. 20.

dissatisfied sections of the working class.⁴ The Shanghai Commune of February 1967 was an alarming sign. The Commune was organized on the principles of the Paris Commune of 1871 and was therefore based on direct political participation by the masses and not on a Leninist type party organization. The power positions of Mao and the Central Cultural Revolution Group were suddenly threatened by forces they had released themselves. The leading role of the party as such was endangered.

Mao's response was clever indeed. Instead of cracking down on the revolutionary upsurge, he tried to contain it by integrating the young revolutionaries into the state apparatus. The Revolutionary Committees became the integrational instrument, and during 1967 and early 1968, these committees, based on the three-in-one combination, were set up all over the country. The Red Guards faced a dilemma: instead of smashing the old state structure according to the principles of the Paris Commune, they suddenly found themselves about to be incorporated into a new administrative system which in fact revitalized the very state structure they were trying to subvert.⁵ The rebels in fact became rulers in name.

Inevitably, this policy of accommodation and integration caused splits among the Red Guard organizations. Roughly speaking, one group consented to work inside a purged although not fundamentally changed party and state machinery. Another group insisted on carrying through the revolution against the old system that had produced "capitalist-roaders" like Liu Shaoqi and Deng Xiaoping; they wanted to *abolish* this system, not just reform it. *Reformers* and *abolitionists* were facing each other. The "reformers" had the backing of the established left led by Jiang Qing and her supporters in the Central Cultural Revolution Group. The "abolitionists" were left out in the cold with no one to support them at the Center and increasingly came to regard Jiang Qing and the established left as traitors to the revolutionary cause.⁶

Sheng-wu-lian: In Hunan, Mao's native province, the revolutionary "non-integrationists" formed the "Hunan Provincial Revolutionary Great Alliance Committee"—usually abbreviated as *Sheng-wu-lian* (the first characters of province, proletariat, and alliance) on October 11,

⁴ Temporary and contract workers were particularly receptive to Red Guard agitation. See, for example, Hong Yung Lee, "Mao's Strategy for Revolutionary Change: Case Study of the Cultural Revolution," *The China Quarterly*, No. 77 (March 1979), p. 64.

⁵ The necessity to smash rather than revitalize the old state structure as a basic theme in the Commune was a concept of particular relevance to the Cultural Revolution, stressed in its most concise form in a *Hongqi* editorial carried on the front page of *Renmin Ribao* on January 31, 1967: "On the Proletarian revolutionaries' struggle to seize power." *Hongqi*, No. 3 (February 1967). Translated in *Peking Review*, No. 6 (February 3, 1967).

⁶ Opletal und Schier, *China: wer gegen wen?*, p. 22.

1967. During the following four months, the Sheng-wu-lian formulated three documents: a group of resolutions on the Cultural Revolution in Hunan; a program; and the essay "Whither China?" These documents advocated the deepening of the Cultural Revolution in Hunan—"in essence the true beginning of a socialist revolution in China," "a revolution of one class overthrowing another"—that is, a thorough socialist revolution. According to the Sheng-wu-lian, the Cultural Revolution had been led astray by the purging of individual "capitalist-roaders" rather than the exposure and overthrow of the newborn class of "red capitalists," and the former had become the dominant form of struggle.⁷

"A class of red capitalists emerged in China," claimed Sheng-wu-lian. In Marxist terminology, this statement constitutes a theoretical problem because Marxist theoreticians usually define classes in terms of property relations: the owners of the means of production constitute the dominant class in a given social formation. Consequently, according to this line of thought, the socialization of the privately owned means of production following the Communist take-over in 1949 resulted in abolition of the capitalist class.

The Sheng-wu-lian class definition is based on the concept of exploitation. A new class has arisen based on special privileges and high salaries. By way of these special privileges and high salaries, the class of "red capitalists" is enabled to appropriate the surplus product of the working masses. Although the new "red capitalist" class does not *own* the material means of production in a formal sense, it nevertheless *controls* them because of its dominant position in the party and state structure. The traditional Marxian key concept of ownership is replaced by control and power under this "extended" class analysis. The class definition based on exploitation was to be repeated in future criticisms of the party and state in relation to society, especially the Li Yi Zhe manifesto and the Democracy Movement of 1978-1979.

Mao Zedong is criticized by the Sheng-wu-lian for having consented to a retreat. Originally, he had advocated communes based on the Paris Commune of 1871. But suddenly he opposed the establishment of the "Shanghai People's Commune" in February 1967 and proposed the formation of Revolutionary Committees, which, according to the Sheng-wu-lian, is tantamount to furthering the reinstatement of the bureaucrats already toppled. "The Revolutionary Committees based on the three-in-one combination will inevitably be a type of regime for the red bourgeoisie to usurp power, in which the army and local bureaucrats will play a leading role." In sum, the Sheng-wu-lian position held that Mao's policy after the summer of 1967 was one of compromise with the "capitalist-roaders" in the party and that this policy had allowed the "red capitalists" to return to power. "At present, a counter-revolutionary adverse current has appeared throughout the country from top to

⁷ Klaus Mehnert, *Peking and the New Left: At Home and Abroad* (Berkeley: Center for Chinese Studies, University of California, 1969), pp. 75, 90.

bottom."⁸ By January 1969, the influence of the Sheng-wu-lian had already spread to the neighboring provinces of Hubei and Guangdong. Red Guards in Guangdong called for new uprisings because "the old powerholders had returned." In February and March, Red Guard organizations published the three documents of the Sheng-wu-lian. In April, flyers attacking Mao and Zhou Enlai as well as defense minister Lin Biao were distributed in Guangzhou.⁹

The established left of the CCP leadership associated with Jiang Qing reacted strongly against the Sheng-wu-lian, primarily in order not to risk being associated with "ultra-leftism." The Hunan Red Guard organization was labelled a "counter-revolutionary organization" led by "lackeys of Peng Dehuai, Liu Shaoqi, Deng Xiaoping, and He Long, and Guomindang counter-revolutionaries." These "revisionists" had "hoodwinked" the masses "so as to render service to American imperialism and the modern revisionism of the Soviet Union."¹⁰

Suppression of the Red Guards: From the spring of 1968, the PLA cracked down on the left Red Guard organizations. Worker Propaganda Teams supported by the army took over the universities and high schools. Red Guard leaders all over the country were arrested and not infrequently executed. Among the arrested Red Guard leaders in Guangzhou were Li Zhengtian, co-author of the famous *dazibao* "On Socialist Democracy and the Legal System." The majority of the Red Guards were "sent down" to do manual work in the countryside according to an Urgent Notice of October 1967, issued by the Central Committee, State Council, Military Affairs Commission, and the Central Cultural Group.¹¹

Clearly, this decision was intended to liquidate the, by now, embarrassing mass movement. By the end of 1968, it was all over, and the former Red Guards, once elevated to revolutionary *sturmruppen*, suddenly found themselves not only relieved of all political influence but also reduced to a déclassé social position to which the majority of them never adjusted. Their former protectors at the very top of the CCP had sacrificed them in order to preserve their own political influence and power. This traumatic experience destroyed the alliance between the established left and the Red Guards. The alliance was never resurrected. In fact, the split deepened as will be seen from the Li Yi Zhe manifesto, the Tian'anmen incident of 1976, and the writings of the Democracy Movement of 1978-1979.

⁸ Mehnert, *Peking and the New Left*, pp. 87, 79. For an interesting discussion on the issue of compromise in relation to the Cultural Revolution, see Charles Bettelheim, "De la révolution culturelle au retour de Teng," *L'Étincelle*, No. 70 (October 6, 1978), and "Parti et mouvement de masse dans la transition," *L'Étincelle*, No. 71 (October 13, 1978).

⁹ Opletal und Schier, *China: wer gegen wen?*, p. 23.

¹⁰ Mehnert, *Peking and the New Left*, p. 112.

¹¹ *CCP Documents of the Great Proletarian Cultural Revolution, 1966-67* (Hong Kong: Union Research Institute, 1968), pp. 560-563.

Li Yi Zhe

On November 10, 1974, a *dazibao* containing 20,000 characters appeared in a downtown street in Guangzhou. Entitled "On Socialist Democracy and the Legal System," the *dazibao* was signed Li Yi Zhe, a collective pen name for three former Red Guards (*Li Zhengtian*, *Chen Yiyang*, and *Wang Xizhe*) of the Red Flag faction in Guangzhou.¹² The writers demanded democracy, human rights, and a socialist legal system. The *dazibao* is important because it seems to represent the views of a large number of former Red Guards.¹³ Thus it provides an insight into the ideological development of the young Cultural Revolution generation six years after the suppression of the organized Red Guard movement. Furthermore, in the demands raised in the Li Yi Zhe manifesto, there are clear parallels to the democracy movement of 1978-1979. Finally, the Li Yi Zhe story illustrates that the voicing of criticism and protest in China is related to the ongoing power struggle inside the CCP in the sense that opposition movements are dependent on support from important leaders or factions inside the party; otherwise they will eventually be suppressed. This is the case whether opposition movements develop spontaneously or are initiated from the "top." The Li Yi Zhe manifesto therefore provides a paradigm for the fate of political dissent in post-cultural revolutionary China.

The most prominent of the Li Yi Zhe group, Li Zhengtian, was a victim of the political volte-face of the established left around Jiang Qing in the fall of 1967. When the military strongman of Guangzhou, Huang Yongsheng, cracked down on the Red Flag Red Guard organization, Li Zhengtian was arrested along with other "radical" Red Guard leaders. He suffered four years of imprisonment. With the fall of Lin Biao (and Huang Yongsheng), he was released in 1972 and was given a job at the library of his former college, the Guangzhou Fine Arts Institute.

While working there, Li Zhengtian finished the first draft of the Li Yi Zhe manifesto. He mimeographed the essay and circulated it among former Red Guard colleagues for discussion. In December 1973, a second draft was finished. It was decided that the essay should be sent to the Center in Beijing as well as distributed to the Guangdong Provincial Committee. In November 1974, the final third draft appeared as a *dazibao* signed by Li Zhengtian, Wang Xizhe, and Chen Yiyang.¹⁴

According to the Li Yi Zhe poster, the Cultural Revolution was sidetracked in 1968. At that time, the dictum "the state power is the power to suppress" became operative, and "all across the land, there

¹² A complete translation appears in *Chinese Law and Government*, X:3 (Fall 1977), and *Issues and Studies*, January 1976.

¹³ During 1974-1975, posters similar to that of the Li Yi Zhe group appeared in other parts of China. See Peter Schier, "Der Fall 'Li Yi Ze,'" *China Aktuell* (April 1979), pp. 489-504.

¹⁴ *Ibid.*; Opletal und Schier, *China: wer gegen wen?*, pp. 9-12.

were arrests everywhere, suppressions everywhere, miscarriages of justice everywhere. . . . This was the rehearsal of social-fascism in our country; and the commander in chief of the rehearsal was Lin Biao." Instead of the realization of "great revolutionary democracy on the most extensive scale," the Cultural Revolution resulted in the creation of "the Lin Biao system." Although Lin Biao suffered a downfall in September 1971 as a result of his abortive coup d'état, this event did not signify the end of his system. "The Lin Biao system has created a force of civil officials who share vested interests."¹⁵ The Li Yi Zhe elaborates on the issue by expounding a class analysis, the essence of which is similar to that of the Sheng-wu-lian.

"A Soviet Union type of privileged class" has emerged in China. The necessary preferential treatment granted by the party has been expanded into political and economic special privileges, thereby causing the emergence of a new "bourgeois mode of possession." It is a result of "changing the public into private" under conditions of socialist ownership of the means of production. That is, through their control—although not ownership—of the means of production, certain party, state, and enterprise leaders have been able to appropriate special privileges to the detriment of the working masses, becoming "powerholders taking the capitalist road." They form a "newborn bourgeois class hatched out of special privileges," the existence of which constitutes the "main source of danger for a capitalist restoration."¹⁶ The parallels to the Sheng-wu-lian are obvious.

The Li Yi Zhe analysis of the basic character of Chinese society seems to contain theoretical difficulties. The group points to the danger of a "capitalist restoration" while stressing that the "tradition formed by the feudal autocracy of several milleniums is stubbornly entrenched in all domains of the superstructure such as ideology, culture, education, and law etc." Furthermore, consider statements like: "After 1966, the masses of people have opposed, under the slogan of democracy, the capitalistic counter-revolutionary line of the capitalist-roaders in the Party, especially the feudalistic social-fascist line having an ultra-left appearance and an ultra-right essence"; and "the feudalistic social-fascist autocracy is the main danger to our dictatorship of the proletariat"; or "our Party has been moulded into a ruler-vassal and father-son party, our State has been moulded into a state under feudalistic social-fascist autocracy."¹⁷

However, when the pieces are put together the following theoretical framework emerges: China experienced a socialist revolution in 1949. By 1956 industry had been socialized and agriculture had been collectivized. During the late 1950s the main source of danger for the new socialist order based on the dictatorship of the proletariat was

¹⁵ *Issues and Studies*, January 1976, pp. 133, 136.

¹⁶ *Ibid.*, p. 114f.

¹⁷ *Ibid.*, pp. 141, 130, 129, 119.

"bourgeois rightists," left over from the old society. After the early 1960s, the main source of danger was capitalist-roaders in the party "who have wormed into the party to cook up a feudalistic social-fascist autocracy."¹⁸ What they want to restore is not an "ordinary dictatorship of the bourgeoisie," but "a feudalistic-social-fascist autocracy."

The Li Yi Zhe analysis points to an essential problem by stressing that the "Lin Biao clique" is not trying to establish an ordinary dictatorship of the bourgeoisie. China was never dominated by a capitalist mode of production.¹⁹ Thus vestiges from the old society are of a feudalistic rather than capitalistic nature. Consequently, the real problem is not the restoration of capitalism according to the strict definition of the term. Rather "careerists" in the party appropriate special privileges, thereby forming a new ruling class that protects itself and its privileges in a feudal fashion.

The Li Yi Zhe group blurs the issue because it uses the concepts "capitalist-roaders" and "capitalist restoration." Since the Cultural Revolution these concepts have been associated with the Liu-Deng faction. But this faction is not the primary target of the Li Yi Zhe criticism. Their concern is rather with the "careerists" in the party who used the struggle against the Liu-Deng faction to establish their own power position based on "rituals" left over from the old society. These "rituals" are "feudalistic" and a stumbling-block to the development of democracy in China; it is these "careerists" who are referred to in the Li Yi Zhe manifesto as the "feudalistic social-fascist line having an ultra-left appearance and an ultra-right essence." In sum, the Li Yi Zhe group maintains the terminology of the Sheng-wu-lian class analysis. As in the Sheng-wu-lian, the conclusion is that China has developed into a new class society dominated by the "Lin Biao system" based on feudal vestiges rather than by a class of "red capitalists." Consequently, the resulting political strategy stresses democratic rights and the development of the forces of production within the framework of socialism.

At this point the former Red Guards and the Liu-Deng faction joined forces, the Li Yi Zhe stressing democracy and the Liu-Deng group emphasizing the development of the forces of production. It is important to note that the Li Yi Zhe calls for the abolition of the Lin Biao system, but not of the socialist foundation of China.²⁰ They were "re-

¹⁸ *Ibid.*, p. 132.

¹⁹ Kjeld Erik Brodsgaard and Soren Clausen, "Kina og teorierne om overgangssamfundet," in *Marxismen og de socialistiske lande* (GMT: 1979), pp. 115-161. (In Danish.)

²⁰ The author does not agree with Peter Moody who claims the Li Yi Zhe poster shows that "Chinese radicalism has come full circle: Li Yi Zhe converges with Lin Xiling, and both converge with liberalism." See Peter R. Moody, *Opposition and Dissent in Communist China* (Stanford, California: Hoover Institution Press, 1977), p. 215. Thus we read in the Li Yi manifesto: "The basic tasks of the Chinese people in the entire historical stage of socialism is to consolidate, under the guidance of the correct line, the dictatorship of the proletariat. However, this revolutionary program of the dictatorship of the proletariat, when placed in the hands of reactionaries, becomes a mockery of the revolutionary aspirations of the masses." See *Issues*

formers" rather than "abolitionists." The Li Yi Zhe position maintains the Sheng-wu-lian class analysis and chooses a feudal interpretation of the factors that prevent or arrest the socialist development of China. The Li Yi Zhe position should thus be viewed as an intermediate position between the left Red Guard position of the Cultural Revolution and the views of the democracy movement of 1978-1979.

The Li Yi Zhe standpoint on democracy and human rights is stated in more unequivocal terms. The goal is "an extensive people's democracy": "The most fundamental right of the people in socialist society is the right to manage the state and the society." Freedom of speech, press, and association must be secured. "The people want democracy; they demand a socialist legal system; and they demand the revolutionary rights and the human rights which protect the masses of people."²¹

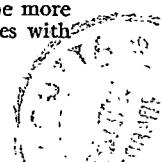
Supervision of the leadership at various levels in the party and state by the masses of the people is of primary importance to the Li Yi Zhe group's concept of democracy. The group suggested to the imminent 4th National People's Congress that the broad masses of people should acquire the power to dismiss and elect their own leaders, a demand which was also of utmost importance to the 1978-1979 democracy movement.

Powerful friends: In the beginning of 1974, the activities of the Li Yi Zhe group came to the attention of the Guangdong party head, Zhao Ziyang, and of the new Guangzhou Military Region Commander, Xu Shiyou, both political allies of Deng Xiaoping and members of the moderate faction. They had a vested interest in criticizing Lin Biao and the "literati" (i.e., Gang of Four) supporting him. In August 1973, the campaign against Lin Biao and Confucius had been launched by the remnants of the established left at the Center (the Gang of Four). The essence of the campaign was a vehement criticism of the personal life of the former defense minister.

By concentrating their criticism on the system which had produced Lin Biao, the Li Yi Zhe group broadened the scope of the campaign. They were actually using the criticism of Lin Biao as camouflage for an attack on the Gang of Four, the so-called literati who had secured the survival of the Lin Biao system three years after Lin's death. On this point, the interests of the moderate faction and the former rebel Red Guards coincided. The moderate faction saw an advantage in using former Red Guards like Li Zhengtian, with whom they were not directly identified, to engage in a pointed criticism of the Gang of Four. For the ex-rebels, criticizing Lin Biao provided a good opportunity to air their grievances, reverse the verdict on their group, and expose the repression campaign conducted against them by the former member of

and *Studies*, January 1976, p. 145; also cf. the citation in note 22. It would be more accurate to state that part of the Democracy Movement, 1978-1979, converges with Lin Xiling and liberalism.

²¹ *Issues and Studies*, January 1976, pp. 116, 139.



the established left, Huang Yong Sheng. A tactical alliance was established between two quite different groupings within China's political spectrum, setting a precedent for the future. The split between the leftist Red Guards of the Cultural Revolution and the established left had developed into deep antagonism.

In April 1974, Zhao Ziyang appointed Li Zhengtian "inspector for social problems in Guangzhou." Li formed a group that conducted extensive investigations into the official terror of the latter phase of the Cultural Revolution in Guangdong. The results of the investigations were published in part in *Nanfang Ribao*. The material was an important part of the empirical background for the Li Yi Zhe poster. In late 1974, the developments in Guangzhou attracted the attention of the Center in Beijing. Li Xiannian denounced the poster: "Reactionary through and through, vicious and malicious to the extreme."²² That Li Xiannian, who is not believed to belong to the Jiang Qing faction, pronounced this harsh verdict is a clear indication of the seriousness of the matter. In the political climate of the time, Zhao Ziyang and Xu Shiyu dropped their support of the Li Yi Zhe group because the time was not yet ripe for a head-on confrontation with the Gang of Four. The Li Yi Zhe group had to be sacrificed.²³

In December 1974, an official criticism of the Li Yi Zhe manifesto, also written in the form of a *dazibao* and signed by Xuan Ji Wen (Propaganda Collective Essay),²⁴ appeared in the streets of Guangzhou. It denounced the Li Yi Zhe manifesto as "reactionary." The three authors of the Li Yi Zhe group were arrested and "struggled against" for the second time, and were not completely rehabilitated until February 1979.

The Tian'anmen incident

In 1976, Premier Zhou Enlai and Chairman Mao Zedong both passed away. During the course of the year a bitter power struggle took place and until autumn it appeared the moderate faction would be the loser. On April 7, it was announced that Deng Xiaoping, the leader of the moderate faction, was dismissed from all his posts as a consequence of the "counter-revolutionary incident which took place at the Tian Anmen Square."²⁵

²² Schier, "Der Fall 'Li Yi Ze,'" pp. 492, 499.

²³ In an interview from the time of their rehabilitation, early February 1979, the Li Yi Zhe group made quite explicit that the Gang of Four had been the real target of their poster from 1974: "Nous ne sommes pas des opposants au parti communiste chinois. C'est un parti marxiste et nous sommes aussi des marxistes. Nous avons présenté un point de vue marxiste émanant du parti communiste contre le direction alors au pouvoir, 'la bande des quatre.'" See *Liberation* (Paris), February 16, 1979.

²⁴ Xuan Ji Wen was an official pen-name of the Propaganda Department of Guangdong Provincial Party Committee. A translation appears in *Chinese Law and Government*, X:3 (Fall 1977); and *Issues and Studies*, February 1976.

²⁵ "Resolution of the C.P.C. Central Committee On Dismissing Teng Hsiao-ping from All Posts Inside and Outside Party," April 7, 1976. In *Peking Review*, No. 15 (April 9, 1976).

The Tian'anmen incident forms an important background to the democracy movement of 1978-1979. It originated in what appeared to be a commemoration of Zhou Enlai during the traditional Qing Ming festival. For several consecutive days, an increasing number of people (mourning the late premier) gathered at the Tian'anmen Square. Wreaths decorated with ribbons and flowers were placed at the Monument to the People's Heroes. Soon poems and posters appeared all over the square. Quite a few carried slightly veiled attacks on the Gang of Four. Even Mao was the target of indirect criticism. On the night of April 4, the wreaths, poems, and posters were removed by the authorities. On the following day this act caused violent confrontations between the huge crowd, and police and militiamen. Many were arrested as "counter-revolutionaries."

On April 8, the *Renmin Ribao* vehemently denounced the April Fifth Movement, as it later came to be known.

Early April, a handful of class enemies, under the guise of commemorating the late Premier Zhou Enlai during the Qing Ming festival, engineered an organized, premeditated and planned counter-revolutionary political incident.

"The counter-revolutionary activities" were conducted by "bad elements" and "hooligans." They used "extremely decadent and reactionary language and the trick of insinuation viciously to attack and slander our great leader Chairman Mao and other leading comrades [read: Gang of Four] on the Party Committee." They even had the audacity to shout:

Gone for good is Qin Shihuang's feudal society. We believe in Marxism-Leninism; to hell with those scholars who emasculate Marxism-Leninism! What we want is genuine Marxism-Leninism. For the sake of genuine Marxism-Leninism, we fear not shedding our blood and laying down our lives; the day modernization in four fields is realized, we will come back to offer libations and sacrifices.

These "hooligans" also uttered "vile slanders," saying that "the recent so-called anti-Right deviationist struggle is the act of a handful of careerists to reverse verdicts." The "counter-revolutionary elements" did not confine themselves to "slogans" and "vile slanders," but resorted to "beating up militiamen," "overturning motor vehicles," and "setting fire to barracks of the army guards."²⁶

Deng Xiaoping was held responsible for instigating the incident and was removed from all his posts. On the day Deng was dismissed, the Political Bureau "on the proposal of our great leader Chairman Mao . . . unanimously" agreed to appoint Hua Guofeng First Vice-Chairman of the Party and Premier of the State Council. The dismissal

²⁶ The *Renmin Ribao* article, "Counter-revolutionary Political Incident at Tian Anmen Square," appears complete in *Peking Review*, No. 15 (April 9, 1976).

of Deng Xiaoping signified a victory for the Gang of Four. But it was a Pyrrhic victory because it was by now clear that the Gang had lost its mass support. The appointment of Hua Guofeng indicated that new political constellations were emerging. That Deng was allowed "to keep his Party membership so as to see how he will behave in the future" was also indicative of the crippled power of the Gang of Four. When they received their coup de grace from Hua Guofeng in October 1976, even former members of the established left betrayed them.²⁷

When the verdict on the Tian'anmen incident was officially reversed in 1978, it was claimed that the target of the mass demonstrations in April 1976 had been the Gang of Four.²⁸ The incident was depicted in terms of a "vertical cleavage" (radical vs. moderate) rather than a "horizontal cleavage" (elite vs. masses), a distinction which clearly was in the interest of the moderate faction, led by Deng Xiaoping. However, the Tian'anmen demonstrations represented a trend of thought among some Chinese youth more profound than just an anti-Gang of Four sentiment. To the participants, the events marked a turning point in the political life of China, and the symbolic significance was later embodied in referring to the demonstrations as the "April Fifth Movement," which reflected a general aspiration for liberalization throughout society. It is in this sense that April 5, 1976 represents the opening salvo of China's Democracy Movement. Furthermore, the split between Deng Xiaoping and the Democracy Movement that occurred in the spring of 1979 cannot be adequately understood if the anti-authoritarian and anti-bureaucratic sting of the movement is belittled.

Interlude: Following the fall of the Gang of Four, poems written by the Tian'anmen demonstrators circulated more or less openly. From March 1978 some were posted on a brick wall at the Xidan Crossing in downtown Beijing, later called "Democracy Wall." At the same time, posters appeared criticizing Wu De, who as mayor of Beijing had been directly responsible for the suppression of the Tian'anmen demonstrators, and voicing demands for a reversal of the Tian'anmen verdict.

On September 20, 1978, the official journal of the Communist Youth League, *China's Youth (Zhongguo Qingnian)*, was published for the first time in 12 years. It contained a positive evaluation of the Tian'anmen incident and denounced the Security Police (*Gonganju*) for having behaved as a "fascist force" in the suppression of the demonstrations at that time. The journal also contained an article in which

²⁷ I am especially referring to Wang Dongxing, Wu De, and Chen Xilian. As Head of the Central Committee Security Forces, Mayor of Beijing, and Commander of Beijing Military Region, respectively, they were key figures in the arrest of the Gang of Four. Together with Ji Dengkui they later formed the "whateverist" faction, ousted from power in February 1980.

²⁸ It was clearly in the interest of the moderate faction to depict the incident as a vertical cleavage (radical-moderate) rather than a horizontal (elite-mass). In my opinion it was both.

the personality cult of Mao was labelled "religious superstition." The article stated that an a priori belief in Mao Zedong Thought was "ideologically absurd."²⁹

The publication of *China's Youth* signalled the opening phase of the "Beijing Spring." Thereafter, events accelerated. On October 11, Wu De was dismissed from his post as mayor of Beijing.³⁰ Four days later, the new mayor, Lin Hujia, reversed the original verdict on the Tian'anmen incident, which now was labelled a "revolutionary event." Hundreds of demonstrators were released from prison and praised as "heroes of the people." In their honor a play was staged called "When all sounds are hushed."³¹ The Tian'anmen poems were collected and published with a title page in Hua Guofeng's personal calligraphy.³² On November 21 and 22, the *People's Daily* carried long articles that explained what had "really happened" on April 5, 1976. A wave of liberalization, called the "Second phase of the April Fifth Movement" as well as the "Beijing Spring,"³³ swept across China. The second phase, which echoes the "Prague Spring" of 1968, is better known in the West.

Wall poster campaign: Almost immediately after the Tian'anmen demonstrators had been rehabilitated, a spate of posters appeared in Beijing, spreading from the Democracy Wall to Wang Fujing Street and the Tian'anmen Square. The *dazibao* can be divided into three main categories.³⁴

First are those criticizing Mao and other leaders, especially the

²⁹ Using his position as Director of the Central Committee's General Office, Wang Dongxing apparently tried to prevent the publication of this particular issue. But because of the intervention of Deng Xiaoping he did not succeed. However, the journal was published three weeks later than originally announced. See Yu-Hsi Nieh, "Der Unbeständige Peking Fr hling," *China Aktuell*, November 1979, pp. 1217-1223.

³⁰ Actually his posts were Chairman of the Beijing Revolutionary Committee and First Secretary of the Beijing Party Committee. The title Mayor was abolished during the Cultural Revolution and not reintroduced until 1979.

³¹ In Chinese "Yu Wu Sheng Chu." An English translation appears in *Chinese Literature*, No. 4 (1979). The play, written by a young Shanghai worker, Zong Fuxian, was staged in Beijing in the middle of November. Several *dazibao* criticized the play for viewing the Tian'anmen incident as primarily an anti-Gang of Four and pro-Zhou Enlai manifestation. These *dazibao* pointed out that the Tian'anmen demonstrations first and foremost were directed against the system that had produced a phenomenon like the Gang of Four.

³² *Tian'anmen Shichao* (Beijing: Renmin Wenxue Chubanshe, 1978).

³³ The linguistic parallel of the April Fifth Movement (*siwu yundong*) and the May Fourth Movement (*wusi yundong*) is obvious. However, to the participants of the Democracy Movement, the parallel was of a political rather than a linguistic nature. In late 1978, as in 1979, "democracy," "freedom of thought," and "science" were key concepts. See Chow Tse-tung, *The May Fourth Movement* (Stanford, Calif.: Stanford University Press, 1967).

³⁴ An important part of the following discussion is based on personal observations and experiences during my stay in China (Beijing and Nanjing), September 1978-July 1979. Much insight was obtained through conversations with Danish students in China at that time, especially Ian Bo Andersen (University of Copenhagen), Flemming Christiansen, and Susanne Posborg (University of Aarhus). While in Nanjing, I benefited by numerous talks with Robin Munro (SOAS, University of London).

"whateverist" faction led by Wang Dongxing.³⁵ A deep resentment against the political persecution during the Cultural Revolution was expressed, and demands for the rehabilitation of disgraced leaders were raised. The *dazibao* addressing these issues were relatively numerous until late December 1978. After that, they decreased in numbers because of the return of Peng Zhen, Bo Yibo, and Yang Shangkun, and the posthumous rehabilitation of Peng Dehuai and Tao Zhu. Likewise, the political eclipse of the "whateverist" faction at the important Third Plenary Session, December 18-22, seemed to be met with satisfaction. The critique of Mao, which was surprisingly frank, was reduced in scope and vehemence when Deng Xiaoping came to Mao's rescue in late November.³⁶ The Democracy Movement was later to split on this issue.

Second are the personal complaints about arbitrary political persecution and miscarriages of justice. The majority of the *dazibao* belong to this category. For example, one father writes about his rebellious son, whom he had turned over to the authorities for "reeducation." It appears that the police had savagely tortured the boy and then executed him. Pictures showing the maltreatment illustrated the text.³⁷ There are also numerous accounts of hunger and starvation, mostly written by peasants who had arrived in Beijing in the thousands to air their grievances.

Third are calls for democratic reforms, a socialist legal system, and human rights, including demands for "freedom to travel," "modernization of life styles," "the necessity of learning from other countries," etc. References to the human rights policy of President Carter were numerous.³⁸ It is also noteworthy that the existence of the Soviet dissent was known, although it is apparent that the young writers of *dazibao* were not in possession of any copies of Soviet *Samizdat*.

³⁵ A *dazibao*, posted in Beijing, November 22, warned: "There is a handful of people who were in power during the epoch of the Gang of Four. These people took part in the suppression of the Tian'anmen incident. If they do not repent, if they do not publicly admit their crimes, their days will soon be numbered. Their downfall will be like those of Lin Biao and the Gang of Four." Wang Dongxing was criticized by name for having collaborated with the Gang of Four, and for taking part in the suppression of the Tian'anmen incident. He was called an "opportunist and a political turncoat." Wu De was also criticized by name for his direct participation in the crackdown on the Tian'anmen demonstrators. Besides, he was strongly attacked for his alleged "mismanagement" of Beijing City causing "despicable" living conditions for the inhabitants. As to Mao, a *dazibao*, posted in Beijing, November 19, criticized Mao's "metaphysical thinking in his old age." Another poster on the 22nd raised the following five questions: "Ask yourself: How could Lin Biao reach power without the support of Mao? Ask yourself: Did Mao not know that Jiang Qing was a traitor? Ask yourself: Did Mao not know that Zhang Chunqiao was a traitor? Ask yourself: Without the consent of Mao, would it have been possible for the Gang of Four to launch the campaign against Deng Xiaoping? Ask yourself: Without the consent of Mao, would it have been possible to label the Tian'anmen episode a counter-revolutionary incident?" Author's notes.

³⁶ "Every Chinese knows that without Chairman Mao there would have been no new China," *Peking Review*, No. 48 (December 1, 1978).

³⁷ Author's notes.

³⁸ Author's notes.

Toward the end of November, public rallies for democracy and human rights took place in Beijing and Shanghai. On the eve of November 29, the American journalist Robert Novak communicated to the crowd gathered at the Tian'anmen Square in Beijing that Deng Xiaoping had declared the wall poster campaign "a good thing." This drew a cheer from the crowd numbering several thousand young Chinese. It was remarked: "We knew we could trust Vice-Premier Deng."³⁹

Third Plenary Session: It was rumored in Beijing that concurrent with the wall poster campaign a series of meetings was being held among senior party leaders. These meetings were, in fact, a working conference in preparation for the scheduled Third Plenary Session. In the course of the conference, the Deng faction encountered opposition from the "whateverists."⁴⁰ The debate focused on economic issues. The Deng faction wanted to reinstate the principles of the readjustment policies of 1962-1965. The "whateverist" faction resisted, knowing that a "spill-over" effect was likely to occur, namely a denunciation of the Cultural Revolution, and if not of Mao himself, then of his political and economic line. The "centrist" faction led by Hua Guofeng also resisted, aware of the potential danger to their own position if Deng succeeded in outmaneuvering the "whateverists." After all, subsequent to the fall of the Gang of Four, Hua Guofeng had initiated an economic policy based on heavy industrial growth and high rates of accumulation. Deng obviously met with bitter resistance, but in the end had his way.

In this context, a surging wall poster movement attacking his opponents on the left was—to say the least—convenient for Deng. He could, and probably did, play on the apparent existence of a vertical cleavage, where mass support was on his side. Judging from the tense atmosphere of the big cities of China in late November and early December 1978, a Deng Xiaoping defeat would have created disturbances and opposition not easy to control. But while the interests of Deng and the emerging Democracy Movement coincided, they would necessarily diverge, for Deng was primarily interested in enhancing his political power in order to promote his economic program of readjustment. The Democracy Movement argued that economic modernization and political modernization were interconnected. The message conveyed by the *dazibao* on Democracy Walls of Beijing, Shanghai, Wuhan, Guangzhou, Tianjin, Guiyang, etc. was clear: Political modernization is a prerequisite to economic modernization. Deng saw it the other way around, and when the issue was put to a test, he did not hesitate to draw the necessary consequences.

³⁹ Author's notes.

⁴⁰ In Chinese, "*fanshipai*." That the former associates of the established left were given this name has to do with their dogmatic interpretation of Mao and his political and economic line. On the ideological level, Deng's response was to stress "Seek truth from facts." See Helmut Martin, "Innerparteiliche Auseinandersetzungen und die erste Entmaoisierungsphase. Die Zentrale Arbeitskonferenz und das 3. Plenum des XI. Zentralkomitees Ende 1978 sowie deren Auswirkungen 1979," *China Aktuell* (June 1979), pp. 655-672.

Beijing Spring: Underground Journals

Toward the end of 1978, activists of the *dazibao* campaign were organized. Many of the newly formed organizations began publishing journals. By the end of the year these journals had become the most important mouthpieces of the Democracy Movement (Minzhu Yundong) of the Beijing Spring. They were mainly mimeographed copies made from handwritten stencils. In Beijing they were usually sold at the Democracy Wall on Sunday afternoons.

The journals were produced under the most difficult of circumstances. Most activists had full time jobs, and it was not easy for them to find the time required to edit and put out publications. Another problem was that materials (ink, paper, and stencils, etc.) needed for printing were controlled by the authorities and therefore difficult to obtain. Finally, the journals were published without the formal approval of the authorities; none were ever officially approved, which placed heavy psychological pressure on the activists. As a consequence, the journals were usually published in very limited editions.

The publication with the largest circulation was probably *Masses' Reference News*, which is said to have printed 20,000 copies of its January issue in 1979.⁴¹ However, most journals appear to have had much more limited runs: 200–500 copies per issue.⁴² It must be pointed out, however, that the number of copies printed does not reflect the actual number of readers. Most journals were affixed to the Democracy Wall as posters and were circulated in private, like the Soviet *samizdat*, and carefully copied by hand.

In the beginning, quite a few journals were circulated through the mail. At this stage the journals had the character of unofficial or parallel journals. Later as the authorities became increasingly annoyed with the whole phenomenon, circumstances of publishing and circulation became so difficult that the term *underground journals* (*dixia kanwu*) would be more appropriate. The active members of the democratic organizations were mostly in their twenties and early thirties. They can be divided into two categories. One category was the "older generation" that had taken an active part in the Cultural Revolution as Red Guards. Wei Jingsheng belongs to this category, as does the core group of the Enlightenment Society. The other category consisted of people too young to have taken active part in the Cultural Revolution whose political experiences stemmed from the Tian'anmen incident. Many of them had been arrested on that occasion. While in prison they developed a common attitude toward the necessity for reform and change. The editorial staffs of *April Fifth Forum* and *Beijing Spring* belonged to this category. The activists of both groups were workers, clerks, or

⁴¹ See James D. Seymour, ed., *The Fifth Modernization: China's Human Rights Movement, 1978–79* (New York: Earl M. Coleman Enterprises, 1980).

⁴² *Exploration* (*Tansuo*) printed 150 copies of the first issue of the journal, 250 copies of the second, and 800 of the third. See *Exploration*, No. 4 (September 7, 1979).

young teachers, but some of them were also sons and daughters of high-ranking cadres (the father of Wei Jingsheng, for example, was deputy director of the State Planning Commission).

The intelligentsia (authors, professors, researchers, etc.), however, were not represented among the activists. Two explanations can be offered. First, the intelligentsia never really overcame the shocks of first the Anti-Rightist Movement in 1957, then the Cultural Revolution, during which this stratum was labelled the "stinking ninth category." Twice the intelligentsia had borne the brunt of vehement attacks and obviously were careful not to do so a third time. Second, the general political and economic strategy of Deng Xiaoping envisaged a greater role for the Chinese intelligentsia. Suddenly the opportunity of acquiring social prestige and status was within reach. Deng's intention is to co-opt the intelligentsia, and that clearly is in their interest. Members of the intelligentsia may speak favorably about the young dissidents in private, but in public they follow the political line of the party. The absence of the intelligentsia in the dissident movement is a unique Chinese phenomenon. In other "socialist" countries, the intelligentsia (KOR in Poland, Charta 77 in Czechoslovakia, Bahro in East Germany, Solzhenitsyn and Sakharov in the Soviet Union) form the very backbone of criticism of and opposition to state and party.

From the beginning, peasant demonstrations in Beijing and the illegal return to the cities of "sent down youth" were associated with, although not directly involved in, the democratic organizations.⁴³ Throughout 1978, the official press had stressed the need to redress all wrongs. This policy opened a Pandora's box. By the end of 1978, groups of peasants had left their homes, often far from Beijing, to present complaints to the central authorities in the capital.⁴⁴ By the thousands they settled in front of official buildings while waiting for the cases to be heard. Many of these "petitioners" had been politically ostracized or unemployed for years, victims of arbitrary treatment by local cadres. They sought redress from the Beijing authorities because the local cadres were reluctant to "redress all wrongs" in their localities.

Fu Yuehua, a 32-year old unemployed woman from Beijing, was among the petitioners. In 1975, she had allegedly been raped by the party secretary of her working unit. She filed a complaint, which resulted in her dismissal.⁴⁵ Being a petitioner herself, Fu Yuehua came to know some of the peasants who had travelled to Beijing to present their grievances. On January 8, the anniversary of Zhou Enlai's death, Fu Yuehua was one of the leaders of a peasant demonstration in Bei-

⁴³ "Educated youth," "rusticated youth," and "young intellectuals," all refer to unemployable urban youth with a high-school education who had been transferred to the people's communes, state farms, or so-called production and construction corps, a transfer in most cases intended to be permanent. Between 1968 and 1975 alone, 12 million "educated youths" were "sent down" (*xiafang*) to the countryside.

⁴⁴ See Arlette Laduguie, "The Human Rights Movement," *Index on Censorship*, 9:1 (February 1980), pp. 18-26.

⁴⁵ *Zhengming*, No. 26 (1979); *Huang He*, No. 6 (April 1979).

jing against "hunger and oppression." Ten days later, she was arrested by plainclothes policemen from the Public Security Bureau (*Gonganju*). Fu's arrest was publicized in *dazibao* at the Democracy Wall. The participants in the Democracy Movement reacted strongly, and the most active organizations undertook an inquiry into the affair.⁴⁶

Undoubtedly, the arrest of Fu Yuehua, at a time when the Beijing Spring was still flourishing, was prompted by the link she personified between the peasant petitioners and the Democracy Movement. It is quite likely that the authorities perceived the "*shangfang*" movement of the peasants as a much more immediate threat than the poster writers. A link of more permanent nature between the two groups was politically explosive.

The "educated youth" were another declassé social group threatening to provide the Democracy Movement with a mass base. In the millions they had been "sent down the countryside and up the mountains." As had been the case in the beginning of the Cultural Revolution, they took advantage of the relaxation of central control and returned to the cities in large numbers, but because they returned illegally, they were outside the rationing system in the cities. If their families were unable to support them, they had to resort to "illegal means" in order to survive.⁴⁷ The problem of both the peasant "*shangfang*" and the return of the "educated youth" to the cities, combined with the ideological criticism from the Democracy Movement, caused much concern in the leadership. But before the crackdown was launched, the Democracy Movement's organizations and journals mushroomed all over the country. The leading organizations and publications were *April Fifth Forum*, *Beijing Spring*, the Chinese Human Rights Alliance, the Enlightenment Society, *Exploration*, *Masses' Reference News*, and *Today*.

April Fifth Forum (*Siwu Luntan*): On November 26, 1978, the *April Fifth Paper* (*Siwu Bao*) and *People's Forum* (*Renmin Luntan*) joined to form the *April Fifth Forum*, with Liu Qing and Xu Wenli as editors. Initially, the staff consisted of only four people, but in January it grew to over 20, mainly workers and young teachers ranging in age from 22 to 36. Among the staff were members of the party and members of the Communist Youth League. *April Fifth Forum* had its editorial office in a room in Xu Wenli's two-room apartment; articles were edited, stencils cut, and copies printed and stapled in this room. This journal was published once a month. In an interview, Xu Wenli recounted the

⁴⁶ There is a report on the investigation in *Exploration*, No. 3 (March 1979).

⁴⁷ On February 5, 1979, in Shanghai, several thousands of illegally returned "rusticated youths" marched on the local party headquarters, besieging it for several hours. They also disrupted the train traffic to and from Shanghai. This "February Fifth incident" was not taken lightly by the authorities and was undoubtedly one of the reasons behind the crackdown in March. The leaders of the Shanghai demonstrations were sentenced from two to nine years of prison. See *Wenhuibao*, December 12, 1979.

background of the Democracy Movement and the establishment of the *April Fifth Forum*:

The Democracy Movement was launched by some youths who felt that the system in our socialist society remained far from perfect and that there were imperfections in our legal system. Inspired by the Tian'anmen incident they came up with many proposals for democracy and the legal system. This paper was born out of a desire to further develop and perpetuate this movement. . . . Our paper was also born out of a strong desire to meet the needs of current political struggles and to turn the poster into a more effective mass medium.

At first our paper carried two categories of articles, namely one category emphasizing the protection of the people's basic rights, especially the right to freedom of speech. Another category stressed the need for a profound transformation of our political and economic structures essential to the realization of the Four Modernizations in China. We felt that on the eve of our social transformation, many imperfect systems have prevented our society from moving forward. For example, in the past, greater attention was paid to the transformation of the relations of production. But the need for spurring the development of productive forces was neglected.⁴⁸

In the opinion of Xu Wenli, people must be given maximum freedom and maximum democracy, but they cannot demand absolute freedom.

Among the more important contributors to *April Fifth Forum* were Xu Wenli (pen-name Xu Shu), Liu Qing (pen-name 0538), Zhou Xun, and Chen Erjin. The journal criticized the Enlightenment Society's letter to President Carter on January 1, 1979.⁴⁹ They were also against Wei Jingsheng's "New Democracy or New Dictatorship?" *April Fifth Forum* belonged to the category of the "reformers."

Beijing Spring (Beijing zhi chun): Most of the people associated with the *Beijing Spring* were young people who had been involved in the Tian'anmen incident and had suffered reprisals as a result. The core group, who originally met in jail, included Han Zizhong, Wang Juntao, and Li Zhousheng. Han and Wang have since become members of the Central Committee of the Chinese Youth League.

The *Beijing Spring* was very critical of the "whateverist" faction of the Party, especially Wang Dongxing. They were among the first to argue for a rehabilitation of Liu Shaoqi. The journal was the least "dissident" of them all and clearly belonged to the "reformers" category. It was rumored to have the tacit support of Deng Xiaoping; one of the issues was printed at the Foreign Languages Press in 10,000

⁴⁸ Ou Pulei, "Fangwen Beijing minban kanwu 'Siwu Luntan' fuzeren Xu Wenli," *Guanchajia*, No. 22 (August 1979).

⁴⁹ 0538 (Liu Qing), "Zai tan 'Meiguo she minzhu de 'leiyuan' ma?'", *Siwu Luntan*, No. 9 (April 29, 1979).

copies. In January 1980, editors Wang Juntao and Zhou Weimin made a self-criticism to the Central Committee of the Chinese Youth League. *Beijing Spring* was both a political and a literary journal, carrying a mixture of news, political commentaries, and short stories.

The Chinese Human Rights League (Zhongguo Renquan Tongmeng): The league was formed on January 1, 1979, by nine persons, including Ren Wandong who was arrested on April 4, 1979. On January 8, the third anniversary of the death of Zhou Enlai, the Chinese Human Rights League proclaimed its famous Nineteen Points.⁵⁰ The league was a large coalition and quite representative of the Democracy Movement, especially in early 1979. In March of that year, the Chinese Human Rights League split on the issue of the invasion of Vietnam. From that time the league played a minor role in the Democracy Movement. The Chinese Human Rights League published *China's Human Rights (Zhongguo Renquan)* at irregular intervals. The editor was Ren Wandong.

The Enlightenment Society (Qimengshe): The Enlightenment Society was formed by a group of former Red Guards who had been "xiafanged" to Guiyang from eastern cities. In Guiyang, they published the first issue of the journal *Enlightenment (Qimeng)* on October 11, 1978. On November 24, the Enlightenment Society formed a Beijing office, but still, it was the least Beijing oriented of all the major democratic organizations. The society wrote a letter to President Carter on January 1, seeking his support for the human rights cause in China.⁵¹

In February, Li Jiahua, Lu Mang, and Yang Yinfeng split from the Enlightenment Society and formed the Thaw Society (*Jiedongshe*), which published the journal *Thaw (Jiedong)*. In March, they published a 16-point manifesto calling for the promotion of Rousseau's ideas on human rights and Sun Zhongshan's concept of democracy, as well as the study of cultures and civilizations derived from Christianity. They also demanded a revision of Marxism, that "outdated elements in Mao Zedong's thought" should be discarded, and that "every kind of idol and tablet for Mao, which the Gang of Four had set up everywhere, be torn down immediately." On the issue of democracy, they had this to say:

We demand a comprehensive constitution and the formation of a decent, complete, national legal system. According to this constitution, government and Party leaders must be elected by secret ballot, and those elected should serve for four years. The honest and capable may stand for election, but they should never serve for more than two terms. We

⁵⁰ The Nineteen Points were slightly revised on January 17, 1979. See "Zhongguo renquan xuanyan shi juitiao," *Zhongguo Renquan* (February 1979).

⁵¹ *Qimeng*, No. 3 (January 1, 1979).

oppose anyone's staying in power for life. The appointment of a "representative" by an official with no endorsement by the people violates the will of the people.⁵²

Thaw was edited by Li Jiahua, who was also in charge of the journal *New Poetry* (*Xin Shixue*). Both the *Thaw* Society and the Enlightenment Society belong to the "abolitionist" category.

Exploration (*Tansuo*): On December 15, 1978, a long article appeared in the form of a *dazibao* on the Democracy Wall. The article entitled "The Fifth Modernization" contained the slogan: "Without democracy, the Four Modernizations cannot be achieved." To invite comments, the author's signature included his address. A number of people, including Yang Guang, Lu Lin, and Liu Jingsheng looked up the author, Wei Jingsheng, a 29-year old electrician at the Beijing Zoo. At the meeting they decided to publish a journal of their own to air their views. This journal, *Exploration* (*Tansuo*), is probably the best known of the underground journals because of its "radicalism" and "militancy" and the fame of its editor Wei Jingsheng. The first issue of *Exploration*, published on January 8, 1979, attracted wide attention mainly because of Wei's *dazibao* from December 15, which was reprinted in this issue. The second issue, published on January 29 and also widely discussed, contained an article in which Wei summed up his position on human rights, equality, and democracy, as well as articles on prisons in China.⁵³ However, the most important in the contemporary political context was a special issue of March 25 that carried an article by Wei in which the split between Deng Xiaoping and the "abolitionists" was publicly displayed. Four days later, Wei Jingsheng and other members of the publishing group, the most notable being deputy editor Yang Guang, were arrested. The journal fell silent for several months, but reappeared in September 1979 edited by Lu Lin. Wei Jingsheng and *Exploration* epitomized the "abolitionist" position par excellence.

Masses' Reference News (*Qunzhong Cankao Xiaoxi*): This publication owed its existence to the unemployed nuclear physicist Xia Xunjian. Among the staff members were steel worker Xu Qing, machinery worker Yang Changguang, the "educated youth" Wang Shimin, and four other persons whose occupations are not known. *Masses' Reference News*, with a title echoing the governments internal *Reference News*, was published for the first time on December 23, 1978. This eight-page, bimonthly was, in contrast to most of the other journals, only moderately critical of Mao Zedong. *Masses' Reference News* deplored the emergence of "radicals" (read: the "abolitionists") in the Democracy

⁵² *Thaw* manifesto, point 10. See Seymour, *The Fifth Modernization*, pp. 78-80.

⁵³ *Tansuo*, No. 3 (March 11, 1979).

Movement who were "attempting to achieve democracy overnight."⁵⁴ It supported Deng Xiaoping and the Four Modernizations, but pointed to the necessity of the "modernization of leadership" by electing cadres democratically. Xia Xunjian was arrested on April 30, 1979.

Today (Jintian): This journal appeared for the first time in December 1978. Co-editor Liu Nianchun was a brother of Liu Qing from the *April Fifth Forum*. *Today* was a literary journal, unlike most of the other journals, which focused on political analyses and commentaries. It featured poetry, short stories, literary criticism, and translations from foreign works (for example Heinrich Böll and Graham Greene). The existence of *Today* indicates that the Democracy Movement was more than just a political movement. Since the fall of 1979, some of the authors in *Today* have joined officially published journals.

Other journals published were *Truth (Qiu shibao)*, *Hundred Flowers (Baihua)*, *Autumn Fruit (Quishi)*, *Fertile Land (Wotu)*, *Life (Shenghuo)*, *The Spark (Huohua)*, *Democracy Wall (Minzhuqiang)*, *Democracy and the Era (Minzhu yu Shidai)*, *Science, Democracy, and Law (Kexue Minzhu Fazhi)*, *Grass on the Plain (Yuan shang cao)*, all in Beijing; *Zhejiang Spring (Zhejiang shi chun)* in Hangzhou; *People's Voice (Renmin zhi Sheng)* and *People's Road (Renmin zhi lu)* in Guangzhou; *People's Voice (Renmin zhi Sheng)* in Shanghai; *The Bell (Zhongsheng)* in Wuhan; and also a compilation of songs in several volumes, *The People's Songbook (Quanmin Gezu)*.

Theoretical Framework of the Democracy Movement

As mentioned in the introduction, the Democracy Movement embodied various philosophical and political orientations. It is useful to distinguish between two major groups. One group, the "reformers," or, perhaps more to the point, the "socialist democrats," favored democratic reform and progress within the framework of the present political and economic structure of China.⁵⁵ Thus they never really questioned the "socialist" foundation of China, the dictatorship of the proletariat, and the leadership of the Party based on Marxism-Leninism-Mao Zedong Thought. As indicated above, the publishing groups of *Beijing Spring*, *April Fifth Forum*, and *Masses' Reference News* belonged to this category. The "reformers" of the Li Yi Zhe group were the most important forerunners of this category. The Li Yi Zhe group, the "radical" Red Guards of the Cultural Revolution, have turned into the "socialist democrats" of today.⁵⁶ Xu Wenli summed up the position

⁵⁴ Seymour, *The Fifth Modernization*, p. 18.

⁵⁵ "Minus 5," International Newsletter Published by the 70's Front, Hong Kong (August 1979).

⁵⁶ Chen Erjin, a prominent figure among the "socialist democrats," wrote a major theoretical essay, "On the Democratic Revolution of the Proletariat," published in a special issue of *Siwu Luntan*. See Chen Erjin, "Lun wuchanjieji minzhu

by stating that "the essence of the Democracy Movement in China is a call for putting the Marxist Truth into practice in China."⁵⁷

In contrast, the "abolitionists," the other main group, sought a complete transformation of Chinese society, which they regarded as a class society. A new ruling class had arisen based on the special privileges of the bureaucratic and technocratic strata. The "abolitionists" rejected the possibility of ensuring real democracy within the framework of the present "socialist" China. Thus, they were critical of the concept of a dictatorship of the proletariat based on one-party rule and unified ideology. They called for a multiparty system and some of them even viewed the United States as the banner of democracy.⁵⁸ The "abolitionists" were former Red Guards who had belonged to the moderate Red Guard groups. Now they took up the analyses of their former political rivals, such as the Sheng-wu-lian, although they reached different conclusions. To the Sheng-wu-lian, the revolution should be *deepened* in order to abolish a "red capitalist class." To the "abolitionists" of 1978-1979, the revolution should be *reversed* in order to destroy the systemic foundation of a new class, ruling in the name of socialism. The real forerunner of the "abolitionists" was the Hundred Flowers Movement, especially the student opposition. Thus the views of Wei Jingsheng and of Lin Xiling, the critical China People's University student of 1957, converged, and both moved toward "liberalism."

Wei Jingsheng's last article on "The Fifth Modernization" can be regarded as one of the main "abolitionist" documents. According to this article all the social systems established on Marxist principles—the modern socialist states—"without exception neither acknowledge nor protect the equal human rights of the individual members of society." These social systems are all built on the "party's monolithic leadership" and are therefore true "dictatorships." To Wei, the Democracy Movement expressed the "need to refute the Maoist-type of dictatorship," which he regarded as a special brand of Marxist dictatorship. On the attainment of democratic social environment, Wei says: "Whoever understands this and agrees to strive for this goal, is standing at the forefront of the historic trend. Whoever opposes and hinders the attainment of this goal is using deceptive means to mislead this movement onto a wrong road, and he is a traitor to history. And whoever suppresses this genuine popular movement is a murderer in the true sense."⁵⁹

geming," *Siwu Luntan*, No. 10 (June 1979). Of the Li Yi Zhe group, rehabilitated in February 1979, only Wang Zizhe became actively involved in the Democracy Movement, 1978-1979. See Wang Xizhe, "Wei wuchan jieji de jieji zhuanzheng er nuli," *Renmin zhi sheng* (Guangdong: July 1979). Not surprisingly, he supported the "socialist democrats."

⁵⁷ Ou Pulei, "Fangwen Beijing."

⁵⁸ That is, the "Enlightenment Society." See *Qimeng*, No. 3 (January 1, 1979).

⁵⁹ (Wei Jingsheng), "Yao minzhu haishi xin de ducai?," *Tansuo*, No. 3 (March 25, 1979).

The Crackdown

The political thaw culminated in China during February 1979. The political discussion on the Democracy Wall at Xidan and in the underground journals was in full bloom. There were gatherings in the parks where young people read their poetry and sang and danced to the music of guitars. Apparently, all this was accepted by the authorities. But behind the scene the crackdown was being prepared. Following the "riots" in Shanghai on February 5, 1979, the Shanghai authorities in collaboration with the Center in Beijing prepared an official circular forbidding all public demonstrations and activities "disturbing public order." The circular was posted in Shanghai on March 6.

When Deng Xiaoping had signalled his support of the emerging Democracy Movement in late November 1978, the movement was in its socialist democratic phase. But abolitionist journals like *Enlightenment* and *Exploration* increasingly came to represent the movement in its heyday at the beginning of 1979. For Deng, the "abolitionists" went too far. Obviously this was even more the case for the "whateverists" and the "centrists" who bore the brunt of the criticism. There is no evidence that the "abolitionists" ever had any backing at the top of the CCP. So when the crackdown came, a united leadership was behind the decision.

Warning of the imminent crackdown came on March 16, when Deng Xiaoping spoke to a closed group of high-ranking cadres. In his speech Deng warned that the Democracy Movement had "gone too far" and that some utterances were not in the interest of "stability, unity, and the Four Modernizations."⁶⁰ In the future, political discussions were to uphold the "Four Principles."⁶¹ Debate bringing the "socialist system" into question was to be stopped. An official notice was later posted in Beijing banning all *dazibao*, books, and publications opposed to the "Four Principles."⁶²

Wei Jingsheng responded to this development on March 25. In a special issue of *Exploration* entitled "Democracy or New Dictatorship," he leveled his attack on Deng Xiaoping:

The people must be aware of Deng Xiaoping's metamorphosis to a dictator. After Deng Xiaoping's reinstatement in 1975, he seemed at first to demonstrate that he treasured the interests of the people. Then, the masses of the people fervently expected him to continue that kind of policy and were willing to support him with their blood. . . . Since he has now put down the masquerade of supporting democracy, taken suppressive actions against the people's democratic movement, allowed the provinces to take stands completely opposed to democracy and resolute-

⁶⁰ Laduguie, "The Human Rights Movement," pp. 22-23.

⁶¹ "Uphold the socialist road, the dictatorship of the proletariat, the leadership of the Communist Party, and Marxism-Leninism-Mao Zedong Thought." On April 5, the "Four Principles" were presented to the public in a *Renmin Ribao* editorial.

⁶² See *Beijing Review*, No. 15 (April 13, 1979).

ly maintained dictatorial policies, he is no longer worthy of the people's trust and support.

In more general terms, Wei Jingsheng wrote: "We can only trust those leaders who are under our supervision. These leaders must be delegated by us and not forcibly imposed upon us. . . . Anyone who is not willing to subject himself to the supervision of institutions elected by the people, and anyone who is prepared to encroach on the basic democratic rights of the people, can only be an enemy of the people."⁶³

Four days later, on March 29, Wei Jingsheng was arrested by the Public Security Bureau (Gonganju). During the following days, other leaders of the Democracy Movement were arrested, among them Chen Lu and Ren Wending from the Human Rights League. The crackdown was followed by articles in *Red Flag* calling the slogan of human rights "a bourgeois slogan." On April 5, the third anniversary of the Tian'anmen incident, the *People's Daily* emphasized that the demonstrations had been "revolutionary" because they had been conducted in "the spirit of the Four Principles." The message was clear for all to read.

Because the journals of the "socialist democrats" were not the immediate target of the authorities, they survived the first crackdown, and journals like *Today* and *April Fifth Forum* were still sold at the Democracy Wall. In late summer 1979, the Democracy Movement blossomed again. At the end of August, *April Fifth Forum* convened a meeting at the Democracy Wall, which was attended by more than a thousand people, and called for a public trial of activists arrested earlier in the year. On September 7, the first issue of *Exploration* following the arrest of Wei Jingsheng appeared.

Amidst this intensification of activities it was announced that the trial of Wei had started. On October 16, the Intermediate People's court in Beijing sentenced him to 15 years of imprisonment and deprivation of civil rights for a further three years. The harsh conviction of Wei, which aroused great attention abroad, mainly because it coincided with Hua Guofeng's visit to Western Europe, came as a shock to the Democracy Movement. At the Democracy Wall, members of the April Fifth Forum tried to distribute "pirate" copies of Wei's speech, based on tape recordings, but they were quickly stopped by the Security Police.⁶⁴

At the meeting of the Standing Committee of the National People's Congress in late November, vehement criticism of the presence of the Democracy Wall in the center of Beijing was raised. The reason was that the wall had been "used by a small number of bad people to incite unrest and undermine stability and unity."⁶⁵ The meeting concluded

⁶³ (Wei Jingsheng), "Yao minzhu haishi xin de ducai?"

⁶⁴ A full translation of Wei's defense speech appears in *Issue and Studies* (March 1980), pp. 101-109. For further information on the case of Wei, see *Zhengming*, November 1979.

⁶⁵ *Beijing Review*, No. 49 (December 7, 1979).

that the Democracy Wall should be "abolished," and that this question should be handled by the Beijing authorities. A week later, the Beijing Municipal People's Government issued a notice including stipulations on putting up *dazibao* in the city. The notice, which took effect on December 8, demanded an end to the discussions and debates at the Democracy Wall. In the future, *dazibao* were to be posted at a site in Yuetan (Moon Altar Park) in the western suburbs of Beijing. Furthermore, *dazibao* writers were required to put up their posters at designated hours, while handing over their names, addresses, and work unit numbers to a registration office in the park. It was proclaimed that as of that day writers of *dazibao* would be held responsible if opinions expressed were more audacious than those officially permitted.⁶⁶

On January 16, 1980, Deng Xiaoping spoke to a cadre conference in Beijing. Talking on "factors of instability," Deng said:

There are so-called "democrats" and "dissidents" who openly oppose the socialist system and the CCP leadership, such as Wei Jingsheng and his like. Although they sometimes say that they too support Chairman Mao and the CCP, they actually want to oppose CCP leadership and socialism. The real ideology of this bunch is to regard socialism as inferior to capitalism and the mainland as inferior to Taiwan. Of course, they know nothing about what capitalism is or what the true state of affairs is on Taiwan. Many of them have gone astray and need educating and saving.

Deng made it quite clear that the leadership intended to crush the Democracy Movement. To achieve this end, the Central Committee would be prepared "to submit to the NPC Standing Committee and the NPC a motion to abolish the Constitution's articles concerning the 'Four Greats'."⁶⁷

In the beginning of April, the 14th Session of the Standing Committee of the Fifth National People's Congress was held. The meeting resolved to revise article 45 of the Constitution deleting the "Four Greats" (*Si Da*).⁶⁸

On April 15, *Renmin Ribao* crowned the second and final crackdown by launching a front page assault on the Democracy Movement. But by that time the remaining democratic journals had already stopped publishing.

The final crackdown on the Democracy Movement was clearly launched by Deng Xiaoping. Concurrently he secured his power position within the party. A month after his important January 16 speech, he had definitively defeated his opponents. At the Fifth Plenum (February 23-29, 1980), the "whateverists" were ousted. Furthermore, Liu

⁶⁶ *Beijing Review*, No. 50 (December 14, 1979).

⁶⁷ *FBIS/PRC*, March 11, 1980.

⁶⁸ The "Four Greats" (*Si Da*) denote "speaking out freely, airing views fully, holding great debates, and writing *dazibao*."

Shaoqi was finally rehabilitated. Hu Yaobang became general secretary of the party, and Zhao Ziyang took over the daily affairs of the State Council. Why the crackdown on the "socialist democrats"? Can we escape the conclusion that the pattern of 1967 was repeated—namely, that Deng, like Mao, used the catalyst of genuine grievances among the population in an intra-Party power game? Did Deng Xiaoping "cajole the people's trust and confidence," as Wei Jingsheng has put it, in order to further his own ambitions?

The reaction of the "socialist democrats" to the conviction of Wei Jingsheng indicated that this group was more dedicated to the principles and issues of the Democracy Movement than to Deng Xiaoping's policies. Although the "socialist democrats" disagreed with Wei and the "abolitionists," they disagreed even more with the way his case was handled by the authorities. The harsh verdict set the "socialist democrats" and the authorities on a collision course, in which the former were radicalized.⁶⁹ Thus the position of the "socialist democrats" was increasingly sympathetic to that of the "abolitionists": the oppression by a bureaucratic-technocratic class impedes the possibility of attaining the prescribed democratic goals.

To Deng, "stability" has always been of primary concern. It is part and parcel of his general politico-economic program. The participation of the city-based intellectuals in the politico-economic process is a prerequisite for attaining the modernization of Chinese society. Deng took great pains to put the intellectuals at ease while clamping down on the Democracy Movement.⁷⁰ Deng is committed to the economic development of China. To him it is a prerequisite for expanding the political rights of the citizens. To the Democracy Movement, including the "socialist democrats," it was the other way around, to the extent that the movement in fact questioned the socialist foundation of China. The Democracy Movement has gone underground in the true sense of the word. When, or if, Deng's economic programs fail, the solid power constellation at the highest level of party leadership will again turn liquid. The expression of the real grievances of the people, which has been held in check by popular support of Deng's policies, once again will find its way to the surface.

Conclusion

The rise and fall of opposition movements in China is closely related to power struggles in the CCP. The formulation of dissent is to a high degree a function of vertical cleavages among the elite in the sense that if the interests of protest movements coincide with those of

⁶⁹ See interview of Xu Wenli by Alain Jacob in *Le Monde*, February 6, 1980.

⁷⁰ See Deng Xiaoping's speech on January 16, 1980 in *FBIS/PRC*, March 11, 1980.



a definite faction of the party, their criticism will find the way to publicity less hazardous.⁷¹ They will be tolerated, perhaps even encouraged, but only to the extent that they are of use as a public indictment of the policies of opposing factions. A given faction of the elite may be interested in ousting other factions from power in the party, but it can hardly be expected to support the abolition of elite rule as such. On the other hand, opposition movements tend to surpass the limits set by elite struggles (intra-party confrontations), by their very anti-bureaucratic and anti-authoritarian nature. They generally indicate the presence of a latent horizontal cleavage. Mao, Jiang Qing, Zhao Ziyang, Deng Xiaoping—all former protectors of protest movements—receded when faced with the consequences of “radical criticism”: the abolition of class rule (in this case the rule of a new bureaucratic-technocratic class rooted in the party). Confronted with this issue, they all chose the same solution: a restriction of the issues under debate followed by unsentimental repression of those less willing to learn.

The *dazibao* campaign and the Democracy Movement of 1978–1979 testify that dissent is rooted not in the intellectuals (as in 1957) nor in the students (as in 1967), but rather in the working class. In the long perspective this might appear to be even more dangerous to the party than the intellectual dissent of the Soviet type, which after all is a contradiction within the elite, a vertical cleavage, and not yet a contradiction between an elite—the party—and common citizens, a horizontal cleavage.

⁷¹ For the origin of the concepts vertical cleavage and horizontal cleavage, see Hong Yung Lee, “Mao’s Strategy for Revolutionary Change.”

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LITERARY POLITICS IN POST-MAO CHINA

Anthony J. Kane

THE FOURTH NATIONAL CONGRESS of Chinese Writers and Artists, held in Beijing from October 30 to November 15, 1979, was hailed in the Chinese press as the dawn of a new era for Chinese literature and art. The congress came three years after the death of Mao Zedong and the purge of the Gang of Four, events that precipitated an unprecedented reevaluation of past history and basic political attitudes and beliefs in the PRC. Yet while many observers acknowledged the profound changes in China's political direction, many remained skeptical about the sincerity of the new leadership's avowed intention to stimulate artistic creativity by relaxing political controls. This study will discuss developments in the literary realm over the three-year period ending with the Fourth National Congress and evaluate the significance of the changes that have occurred.

The First Year

In the first year following the death of Mao, there was little indication that significant changes would occur. The spectacular fall of the Gang of Four was followed by a national campaign of vilification similar to those following previous major purges. The names of the new villains—Jiang Qing, Zhang Chunqiao, Yao Wenyuan, and Wang Hongwen—were added to those who preceded them, most notably Lin Biao. In the literary sphere, the names of the Four were linked with those who had previously been charged with secretly opposing the correct Maoist line in literature and art.

The chief name on this list of villains was that of Zhou Yang. At the height of his power, Zhou had been vice-minister of Culture, Deputy Director of Propaganda, vice-chairman of the Federation of Literary

and Art Circles and of the Chinese Writers Union, and after 1956 an alternate member of the Central Committee.¹ In 1966 he became one of the first and most prominent victims of the Cultural Revolution, accused of betraying his trust as chief protector of Chairman Mao's literary line. He was dubbed "the black hand" behind a thirty-year-old "sinister line in literature and art" opposed to Mao's teachings.

Zhou Yang's alleged opposition began with his role in a 1936 struggle over the question of the Second United Front. Responding to a call from the Comintern in Moscow, Zhou Yang and his associates dissolved the League of Left Wing Writers, a party front organization, in order to set up a new and broader united front organization. To this end they also raised a new slogan for literary creation: "National Defense Literature" (*guofang wenxue*). Zhou Yang's position as a leader in the League gave him the power to make this move, but another group within the League, led by Lu Xun, did not fully approve of the dissolution of the League or of the new slogan. They responded with a new slogan of their own: "Mass Literature of the National Revolutionary War" (*minzu geming zhanzheng de dazhong wenxue*). The ensuing "Battle of the Two Slogans" was a bitter and divisive debate which produced a permanent residue of ill will among the participants.

In 1966, Zhou Yang's attackers argued that in the "Battle of the Two Slogans" he had been secretly acting as an agent of the rightist-capitulationist Wang Ming Line.² Simply put, this meant that Zhou had sacrificed his socialist principles in favor of conciliation with the Guomindang, thereby surrendering proletarian leadership to the bourgeoisie in the Second United Front. Thus he was said to have capitulated to the party's rightist enemies. In contrast, Lu Xun was portrayed as having defended the correct Maoist line in the united front struggle by attempting to preserve the independence and integrity of the party line within the context of unity with other anti-Japanese forces. Zhou Yang's attackers alleged that this early opposition of Mao had continued as Zhou's control over literature and art grew. They accused him of constructing his own "sinister line" to preserve feudal and bourgeois ideologies in the literary sphere, and they blamed this "sinister line" for what they perceived as the failure of socialist literature and art since the 1930s.

Jiang Qing and Yao Wenyuan orchestrated this attack on Zhou Yang in 1966, identifying themselves as the true heirs to Lu Xun's mantle and the protectors of Mao's literary line. In 1976 these same tactics were turned against them, as Lu Xun's name figured prominently in initial attacks on the Gang. The arrests of the Four occurred on October 6, 1976, but the official announcement was delayed until Oc-

¹ Merle Goldman, "The Fall of Chou Yang," *China Quarterly* 27 (July-September, 1966), p. 133.

² For a discussion of this line and Mao's struggle with it, see Gregor Benton, "The 'Second Wang Ming Line' (1935-38)," *China Quarterly* 61 (March 1975), pp. 61-94. The first Wang Ming Line was considered leftist.

tober 22. In the interim, the public was prepared for the news with calls for unity behind the leadership of the party and its chairman, Hua Guofeng.

As a part of this effort, *Renmin Ribao* carried a series of articles in connection with the fortieth anniversary of the death of Lu Xun. The first of these, published on October 17 and entitled "Eliminate Maggots Within Our Ranks," recalled Lu Xun's admonition that enemies often crop up from within the revolutionary ranks. Similarly, an October 19 article called upon readers to learn from the spirit of Lu Xun and "Be Good at Recognizing Sham Revolutionaries who Engage in Counterrevolution."

Finally, on October 21, a front page article by commentator Ren Ping entitled "An Out and Out Old Capitulationist" discussed Lu Xun's 1935 essay "The Foreign Concessions in March," which was reprinted on the second page of the same paper. The author explained that Lu Xun's essay was an attack on the rightist Wang Ming line and its literary agent in Shanghai, Zhou Yang. Specifically, the essay criticized a "small clown" allied with Zhou Yang named "Di Ke," who attacked Lu Xun in *Dawanbao*. This "Di Ke" (the name always appears in quotes) is identified by Ren Ping as the very kind of "maggot" and "sham revolutionary" referred to in the previous articles. The purge of the Gang of Four was announced the next day, and shortly thereafter it was revealed that "Di Ke" was none other than Zhang Chunqiao, one of the Gang of Four.

The attack on "Di Ke" set the tone for literary articles in the months to come, which continued to link the Gang of Four to Zhou Yang and his rightist-capitulationist line. Newly published letters by Lu Xun were used to provide additional evidence of the Gang's secret links to this line. The Gang was accused of suppressing these letters and other evidence in the works of Lu Xun that "proved" that Zhang Chunqiao and Yao Pengzi (Yao Wen Yuan's father) were agents of the Guomindang.³ Further attacks focused on more recent events like the Gang's suppression of a film about the heroes of the Daqing oil fields, "The Pioneers." Chairman Mao allegedly praised the film in spite of certain deficiencies, so its suppression represented a further flouting of his teaching. For the Gang's attackers this case was a prime example of how the Gang had continued to undermine the field of literature and art during the ten year period since Zhou Yang had been exposed.

Articles pertaining to literature and art in this period were used primarily to attack the Gang politically; the literary line itself was never called into question. No new policies were issued, no important new works appeared, and the only remedy suggested to improve the situation was to increase study of the "bible" of Chinese literature and art, Mao's 1942 "Talks to the Yan'an Forum on Literature and Art." It was

³ Foreign Broadcast Information Service (FBIS), *Daily Report (China)* 21 (February 1, 1977), p. E3.

not until the autumn of 1977 that the first hint of change appeared. On September 30, 1977, at a gathering in celebration of National Day, Zhou Yang made his first public appearance since his fall during the Cultural Revolution.

The Attack on the Sinister Line Theory

Although Zhou Yang's reappearance was not commented upon in the Chinese press, it was a definite sign that things were about to change. Constant references to his association with the Gang of Four ceased completely, and later that fall he was appointed to the Academy of Social Sciences.⁴ Beginning in late November, Zhou took part in a series of forums sponsored by *Renmin Ribao* for the purpose of criticizing the "theory of the dictatorship of the sinister line of literature and art."

The attack on the "sinister line theory" was the new leadership's first organized attack on the Gang's literary policies. Critics now argued that (1) there never had been a "sinister line" opposed to Mao's teachings on literature and art; (2) that this theory had been fabricated by the Gang of Four in order to negate the positive achievements of the first 17 years of the People's Republic, and (3) that this represented a direct attack on Mao Zedong's literary policies, which had correctly guided the development of literature and art prior to the Gang's usurpation of power. It was further argued that this conspiracy had served as a basis for the Gang's usurpation of the power of the party and the state. Thus the "sinister line theory" had harmed not only literary and art workers, but also large numbers of cadres, including certain leading cadres. Paramount among those leading cadres was Zhou Yang, slandered by the Gang as the leader of the "sinister line."⁵

Since he was now regarded not as an ally of the Gang but as one of its victims, the attacks on the "sinister line theory" provided a theoretical basis for Zhou's rehabilitation. In addition, the party began to rehabilitate a number of Zhou's former associates as well as many of his former adversaries among the revolutionary writers. A nationwide press campaign called upon the people to honor these old cadres and veteran revolutionaries wronged by the Gang of Four. The campaign emphasized the value of their age and experience in the struggle to modernize China, and it called for their restoration to their previous positions of authority.

As part of this campaign, writers were encouraged to remind the masses of these people's earlier contributions to the revolution and to portray the undue hardships they had endured since the Cultural Rev-

⁴ Chou Yushan, "Liberation of the Writers of the 1930s," *Issues and Studies*, 14:2 (1978), p. 38.

⁵ See, for example, FBIS 228 (November 28, 1977), pp. E4-E7 and 234 (December 6, 1977), pp. E8-E9, for accounts of initial attacks on the "sinister line" theory.

olution. The first and most famous of these works to appear was *Ban Zhuren* (the class teacher) by Liu Xinwu.⁶ The story tells of a dedicated middle school teacher and his struggle to overcome the influence of the Gang of Four on his students. *Ban Zhuren* was the first important new work of literature in post-Mao China, and it became the archetype for a whole new genre: *shangheng wenxue* (the literature of the wounded). These works focused people's anger on past abuses of the Gang and encouraged support for the new leadership's reforms.

In 1978 attacks on the "sinister line theory" intensified, becoming an integral part of an important shift in the new leadership's overall political direction. In the past the Gang had always been described as ultrarightist, but in early 1978 this description began to change. Articles attacking the Gang began to discuss their "pseudoleftism" or "sham leftism," and eventually their "ultraleftism."⁷ At first this "sham leftism" was described as a clever camouflage for the Gang's true rightist nature, but by the end of the year references to the Gang's rightism were dropped. Replacing these attacks were articles warning that the Gang had engendered a false fear of rightism in China, and that the real problem had been the Gang's own ultraleftism.⁸

The political transformation of the Gang from ultrarightist to ultraleftist served a number of important functions for the new leadership. It helped to rationalize the return to policies emphasizing modernization which had earlier been attacked as rightist. In addition, it helped to further justify the rehabilitation of people attacked by the Gang, including Deng Xiaoping and Zhou Yang. It was now argued that their behavior had been characterized as rightist by the Gang of Four because of the Gang's own ultraleftist point of view, a point of view that had caused them to construe correct socialist behavior as "taking the capitalist road."

In Zhou Yang's case, this political transformation was achieved in the course of reevaluating his role in the Battle of the Two Slogans. In March 1978 the literature departments of three Beijing universities conducted a forum to reassess the Battle. Three papers presented at the forum were published in the June issue of the newly revived journal *Wenxue Pinglun* (Literary Critique), and the debate continued in follow-up articles through the end of the year.

An editor's note introducing the first three articles explained that although opinions differed greatly, the forum participants had all agreed that the Gang's "sinister line theory" had caused fundamental errors in previous analyses. These errors included confusing contradictions among the people with contradictions between the people and their

⁶ *Renmin Wenxue* 1979, no. 11, pp. 16-29.

⁷ FBIS 26 (February 7, 1978), p. E1; FBIS 30 (February 13, 1978), p. E2; FBIS 38 (February 24, 1978), pp. E8-E15.

⁸ Yu Se, "'Kong youzheng' de laili yu 'zuò bǐ yǒu hào' lun" (The origin of the 'fear of rightism' and the theory of 'left is better than right'). *Renmin Ribao* (RMRB) (December 28, 1978), p. 3.

enemies, distorting history, and in particular distorting the role of Lu Xun. They agreed that the Battle was a principled debate within the party rather than a struggle between two lines, and that it therefore had nothing to do with the anti-party Wang Ming line. This implicitly absolved Zhou Yang of any traitorous or anti-party behavior in his clash with Lu Xun. Participants all agreed that the supporters of National Defense Literature had erred in opposing Lu Xun, but there was sharp debate on whether this error was essentially rightist or leftist in nature.

Given the premise that Zhou Yang was definitely not an agent of the rightist Wang Ming line, the burden of proof in this debate now rested with those who continued to argue that Zhou and others had been guilty of rightist errors. Official Maoist historiography classifies this period as one where ultraleftism was still the greatest danger. Under those conditions, it is difficult to accuse people of rightist behavior. Zhou's defenders argued that the National Defense Literature slogan had been raised to combat ultraleftism, and that Lu Xun had criticized it for not going far enough in combating the leftist sectarianism that had plagued the League in its waning years. They pointed to Lu Xun's own statements that National Defense Literature was essentially a correct slogan, and that he had supported a second slogan only to remedy some minor deficiencies in the first.⁹

Proponents of the view that National Defense Literature was nonetheless a rightist slogan emphasized the argument that it represented a surrender of proletarian leadership in the move to form a new united front. They saw the vehemence of the debate as a clear indication that Zhou and his allies were more concerned with securing the support of previous enemies than with reconciling their differences with former League colleagues. They pointed to the similarity between Mao's criticisms of Wang Ming and Lu Xun's criticisms of Zhou on these points. Furthermore, they argued that the uniquely advanced nature of the Shanghai literary scene made it possible for this rightist error to appear in Shanghai even before it was crystalized into an anti-party line by Wang Ming. They concluded that even if one considered this surrender of leadership to have been an honest error rather than a conscious desertion of the party, the error must still be considered essentially rightist in nature.¹⁰

Whatever the merits of these arguments, they did not conform to the overall reworking of China's ideological stance. By the end of 1978 the debate had become completely one-sided, and commentators stated flatly that those who continued to brand National Defense Literature as a rightist slogan were still under the influence of the Gang of Four. They insisted that a correct understanding of the Battle now required

⁹ Tang Yuan, "Guanyu yijiu san liu nien 'liangge kouhao' lunzheng de xingzhi wenti" (On the question of the nature of the 1936 'battle of the two slogans') *Wenxue Pinglun*, 1978, no. 3, pp. 10-19.

¹⁰ Yang Zhansheng, "Ping 'liangge kouhao' de lunzheng" (On the 'battle of the two slogans'), *Wenxue Pinglun*, 1978, no. 3, pp. 20-26.

an acceptance of the "objective truth" that Lu Xun himself had recognized the slogan as essentially correct. Zhou Yang's reluctance to accept Lu Xun's advice was still criticized, but always as a minor leftist error. The most serious attacks were reserved for the Gang, whose own ultra-leftism was said to have caused them to misconstrue a minor leftist error as a serious rightist one.¹¹

Reevaluation of the 1936 united front struggle coincided with calls that same year to "further develop the revolutionary front."¹² An important part of this new united front was the unity between workers and intellectuals. People were reminded of Zhou Enlai's interest in united front work. One article cited his statement that "we must, in addition to relying on the hard work of the working class and the masses of peasants, also rely on the hard work of the intellectuals." The same article quoted Chairman Mao as having said that "in order to transform them (the intellectuals), we must first unite with them."¹³ The Gang was accused of ignoring these directives and of viciously attacking and persecuting cadres engaged in united front work. Again, this was traced to the Gang's "sinister line theory" and its ultraleftist influence.

This general shift in political perspective had far-reaching implications, including the formation of a new "united front" between China and the United States at the end of 1978. In this respect the attack on the Gang's "sinister line theory" was once again merely a part of the overall political campaign against them. The difference was that the 1978 campaign also had direct implications for the field of literature and art. It provided the theoretical ground work for a significant "thaw" as the new leadership searched for a more viable policy to reinvigorate artistic creativity.

The "Shift in Emphasis"

Since 1956, the symbol of party efforts to revitalize artistic creativity in China has been Mao Zedong's famous "double hundreds" slogan: "let a hundred flowers blossom and a hundred schools of thought contend." This slogan began to reappear almost immediately following the fall of the Gang of Four, and in March 1978 it was written into the constitution. By December it had become the hallmark of another new phase of development in literary policy.

The impetus for this new phase came from the "Communique of the Third Session of the Eleventh Central Committee of the Communist Party of China."¹⁴ In it the new leadership called upon the people to

¹¹ Huang Xiujie, "Lu Xun de 'bingcun' lun zui zhengque," (Lu Xun's coexistence theory is most correct), *Wenxue Pinglun*, 1978, no. 5, pp. 27-36.

¹² *Hong Qi* (Red Flag), 1978, no. 2, pp. 40-44; FBIS 38 (February 24, 1978), pp. E16-E22.

¹³ "Firmly Carry Out the Party's Policy Toward Intellectuals," FBIS 34 (February 17, 1978), p. E20.

¹⁴ *RMRB*, December 24, 1978, pp. 1-2.

end the nationwide campaign against the Gang of Four and to "shift the emphasis to socialist modernization."

This "shift in emphasis" was to mean a major redirection of the nation's attention away from the past and towards the future. Of particular significance for literary and art circles was an additional passage in the "Communique" that declared: "Since for a period in the past democratic centralism was not carried out in the true sense, centralism being divorced from democracy and there being too little democracy, it is necessary to lay particular emphasis on democracy at present."¹⁵ The significance of this decision was made explicit in editorials in the days that followed: to achieve the "great shift" to emphasize modernization and construction, it would be necessary to "continue to develop inner-Party democracy," to "emancipate thought," and to "seek truth in reality."¹⁶ Along with these slogans, the "double hundreds" slogan began to appear in almost every article on literary policy written in 1979 in order to reinforce the spirit of democracy that the party was trying to encourage.

The new year brought increased efforts on many fronts to insure the success of the party's liberalizations. A January 1979 commentary in *Renmin Ribao* declared a change in policy towards the nation's intellectuals based on a revised perception of their class status. Intellectuals were no longer to be regarded as potential allies of the workers and peasants to be united with and "transformed." Statistics were presented to prove that the class background of the nation's intellectuals had changed in the thirty years since liberation and that they were mostly of working class origin. As such they were bona fide proletarians, "members of the working class engaged in mental labour and a force to be relied on by the party."¹⁷ These words were meant as a direct attack on the mistrust engendered by earlier campaigns against writers and other "experts" whose politics were traditionally viewed as suspect by the party.

In a related development, the party took advantage of the increasing popularity of Zhou Enlai as a symbol of anti-Gang sentiment to republish the late premier's address to the Literature and Art Forum and Feature Film Production Meeting of June 19, 1961. The speech appeared first in the February 1979 issue of *Wenyibao* and again in the March issue of *Hong Qi*. With it came numerous calls to "learn from Zhou Enlai on literature and art." Zhou had always been a symbol of a more liberal policy towards the intellectuals in China, and the pub-

¹⁵ *Peking Review*, 21:52, December 29, 1978, p. 14.

¹⁶ "Ba quandang gongzuo de zhongdian zhuan yi dao xiandaihua jiansheshang lai" (Shift the emphasis of the whole party to the establishment of the [four] modernizations) (editorial), *RMRB*, December 25, 1978, pp. 1, 4. "Jiefang sixiang shishi qishi" (Emancipate thought and seek truth in facts) (editorial), *RMRB*, December 29, 1978, pp. 1, 4.

¹⁷ *Beijing Review*, 22:5 (February 2, 1979), pp. 10-22.

licity given his ideas on literature and art offered a marked contrast to the usual calls to learn only from Mao's Yanan Forum "Talks." Again it was hoped that this would take the intellectuals' minds off their past hardships and encourage them to focus on the new problems faced by a nation hungry for rapid development.

During the first months of 1979 increasing numbers of writers were rehabilitated as the party stepped up efforts to win support for the four modernizations. By spring the "thaw" had deepened sufficiently to cause concern among some leftist "purists" who resented the party's steady easing of controls. For the first time the new leadership was faced with serious challenges to its new policies in the field of literature and art.

The first of these challenges was an April 14 article in *Guangzhou Ribao* entitled "Look Forward, Literature and Art!" Author Huang Anxi criticized the literary sphere's failure to respond to the party's call for a "shift in emphasis," arguing that in spite of the decisions of December 1978 "backward looking literature and art exposing and criticizing Lin Biao and the 'gang of four' continued to abound."¹⁸ The article brought numerous responses, in which Huang's critics argued that "the educational role of literary and art works exposing and criticizing Lin Biao and the 'gang of four' cannot be underestimated, and it is not appropriate to brand such works as 'literature of exposure.'"¹⁹ The party's concern over this debate was reflected in a May 21, 1979 commentary in *Renmin Ribao*. In it the commentator declared that there was still resistance to the new policies because of the "poisonous influence of the ultraleft line in literature and art." For this reason, criticism of the Gang of Four was still necessary in order to "actually implement and not just pay lip service to the 'double hundreds' policy and truly invigorate our literary and art front."²⁰

What was developing here was a renewal of a 40-year-old debate in Chinese literary circles as to whether literature should "praise brightness" or "expose darkness." When writers first began arriving in Yanan in the late 1930s, they were greeted with the news that their main function was to inform the world of the good things going on in the Liberated Areas. However, some were not so pleased. Several writers continued to produce essays exposing the problems they faced, just as they had (with the party's blessing) when they lived in the areas controlled by the Guomindang. The most famous of these articles was Ding Ling's 1942 essay "Reflections on March 8," a discussion of problems facing women in Yanan. The ensuing debate on the proper function of literature split the intellectual community, and it was to solve this problem

¹⁸ The original article and responses to it were summarized in the July 1979 issue of *Wenyibao*. FBIS 138 (July 17, 1979), pp. L10-L14.

¹⁹ FBIS, *ibid.*, p. L10.

²⁰ "Thoroughly criticize the ultraleft line, implement the 'two hundreds' policy," FBIS 101 (May 23, 1979), p. L16.

that Mao Zedong convened the Yanan Forum on Literature and Art.²¹

The obvious precedent for "literature of exposure" was the writings of Lu Xun, and Mao acknowledged this in his praise of the recently deceased writer. Because Lu Xun had lived under Guomindang repression, exposure of the enemy was his proper role. Circumstances in Yanan were different, Mao argued, and the new situation called for a new type of literature which praised the achievements of the workers, peasants, and soldiers and of the Party which led them. Mao did not deny that mistakes were still being made, and he argued that constructive criticism should not be viewed as "exposure." Nevertheless, he attacked the idea that "the task of literature and art has always been to expose," and he clearly preferred works that emphasized the positive.²² This attitude, combined with the influence of Soviet socialist realism, eventually made "exposure" a dirty word in the lexicon of Chinese literary criticism.

In the summer of 1979 the debate reached a new level of intensity. This time the catalyst was an article in the June issue of *Hebei Wenyi* entitled "'Praise Virtue' or 'Lack Virtue'" by Li Jian. As in the case of the "Look Forward" article, the author (or authors) of the "Praise Virtue" article took the stand that China's literary circles were not responding properly to the party central's call to "shift the emphasis." While some writers were trying to implement this directive by praising the party's achievements, others were hampering their attempts:

It is reported that a new faction is now growing up in literary and art circles. Some people have labeled it as a faction of "praising virtue" and are now bitterly attacking it. What crimes has this faction committed . . . Must they be criticized? . . . I do not think they deserve it. . . . Is it not good to praise Chairman Mao . . . and foster the prestige and reputation of the proletariat and the labouring people? Is it not good to propagate the four modernization programs?²³

The members of this "praise virtue" faction clearly saw themselves as the only truly orthodox practitioners of party policy, both in terms of the recent communique and in terms of accepted Maoist tradition. Li Jian viciously attacked the "anti-Party and sullen attitude" of critics who "dampen the enthusiasm of writers who praise the four modernizations." He accused them of advocating a literature without class or

²¹ This summary is based in part on Zhou Yang's interview with Zhao Haosheng in *Qishi Niendai* (The Seventies) 104 (September 1978), pp. 26-33. It was later reported that Ding Ling forced Zhou to apologize for his portrayal of her in that interview as the leader of an "exposure" group opposed to his "praise" group. See my translation of the interview in the *Spring Autumn Papers* (Graduate Journal of the University of Michigan Center for Chinese and Japanese Studies), 2:1, pp. 122-146.

²² Mao Tse-tung, "Talks at the Yanan Forum on Literature and Art, Conclusion (May 23, 1942)," *Mao Tse-Tung on Literature and Art*, third edition (Peking: Foreign Languages Press, 1967), pp. 32-34.

²³ For translation of the original article and the commentaries (see note 24 below), I have consulted the translations in FBIS 158 (August 14, 1979), pp. L10-L21.

party character, and called them "no better than worms in the decomposed bodies of their revisionist mentors." He accused them of "wearing the shoe string rags of foreigners as neckties" and bade them "follow their masters Lin Biao and the 'gang of four' to look for their 'genuine socialism' in the sewer." It was not the people who "praise virtue" that cause the problems, the author claimed. It is their critics who must be called to account, for they are the ones who "lack virtue."

To survivors of the Antirightist Campaign and the Cultural Revolution, epithets such as "anti-Party" were all too familiar and disturbing. The article's use of invective was hardly conducive to the spirit of free expression that the new leadership was trying to promote. On July 31, *Renmin Ribao* republished the article along with three biting commentaries.²⁴ All took exception to the author's "disgusting language" and accused him of "randomly wielding a stick." They noted similarities in the article to language used by Jiang Qing, and they declared that the reappearance of this type of invective could by itself produce a new freeze among the writers of China.

It was not the tone of the article alone that disturbed people. Commentator Zhou Yue also questioned Li Jian's premise that this "praise virtue" faction was merely substituting praise to correct what it viewed as an undue emphasis on exposure. It will always be right to praise socialism, Zhou agreed, but praise must also conform to reality. Li Jian is "unlike any of us in the way he views everyday life." He depicts a China in which the people are "as free from worry about lack of education and employment as they are about food and clothing." Is China really such a utopia, Zhou asked? His answer was clearly that it is not:

The ultraleftist line pushed by Lin Biao, the "gang of four" and their company for more than ten years brought great damage to our socialist motherland. With the aftermath of the pain still being felt, we have a heavy task to clear up the ruins and debris. It is a gross deception to dismiss this task as happy and relaxed.

Zhou argued that "truth becomes falsehood if it goes one step too far." The "praise virtue" faction had taken this extra step by using the praise/exposure argument to suggest that works that expose injustice are incompatible with those that praise progress.

Commentator Wang Ruowang took a similar approach in his attack on the "praise virtue" group. Wang asked the question, "Should we allow only two flowers to blossom when we put forward the call of letting a hundred flowers to blossom?" His answer was that this need not be the only way:

²⁴ Cui Chengyun, "Yao guli zuozhe dadan chuangzuo" (We must encourage writers to create boldly), originally in *Hebei Ribao*, July 22, 1979, p. 4; Zhou Yue, "Zudang buzhu quntian de jiaobu" (The advancing steps of spring cannot be stopped); Wang Ruowang, "Quntianli de yige lengfeng" (A gust of cold wind in the spring), originally in *Guangming Ribao*, July 20, 1979, p. 3. All (including the original "Praise Virtue" article) appear in *RMRB*, July 31, 1979, p. 3.

We do not approve of such terms as "virtue singers" or "literature of exposure," because the singing of praises and exposure should both exist or be used alternately in a literary and art work. There may be works that are given either to praising or to exposure, but they are extremely few in number. It is not necessary for us to mechanically separate praise from exposure. What readers and critics demand of the writer is, first and foremost, that his work be factual to life and history. As long as it is, it will be educational and a good work welcomed by people, regardless of whether or not it exposes or praises people or things.

In a China where the question of whether to praise or expose has been a central issue since the 1930s, the suggestion that this dualism be laid to rest was a bold one. By calling for an end to the praise/exposure debate, supporters of current policy were showing their commitment to overcoming all obstacles to the success of that policy. Eliminating the epithet of "literature exposure" would remove one more shackle hindering the development of honest criticism in the literary sphere. Clearly, it was hoped that this would be viewed not as a reversal of past Maoist policy, but as another step forward in the direction of bringing that policy to a new and higher level.

The party did not rely on this *Renmin Ribao* attack alone to counter the "praise virtue" argument. In August another literary forum was called to intensify criticism of the ultraleftist line of Lin Biao and Jiang Qing in literature and art.²⁵ In September *Renmin Ribao* continued its attack on the "praise virtue" article and a similar article from the August issue of *Shandong Wenyi*.²⁶ The leftist challenge may have proved stronger than expected, but the party showed a fierce determination to prevent those "cold winds" from overcoming the "spring breezes" generated by the recent liberalizations.

While debate continued over works which criticized the Gang of Four, a number of activist writers moved to take their criticism even further. Instead of focusing on past abuses, these writers began to create works dealing with more contemporary instances of bureaucratism and abuse of special privileges by party officials and cadres. This new genre became known as literature that "interferes in life" because of its propensity to focus not on the past but on present day problems in everyday life. It represented a significant breakthrough over the relatively harmless *shangheng wenxue* (the literature of the wounded) which preceded it.

An early example of this genre is "Weilai Zai Zhaoying" (The future is making a call) by Zhao Zixiong. Its hero, Yu Guanqun, is a veteran revolutionary who was persecuted during the Cultural Revolution in spite of forty years of "meritorious service for the people." Following the fall of the Gang he is returned to his post as head of a

²⁵ FBIS 171 (August 31, 1979), pp. R1-R2.

²⁶ Sun Zijian, "Tan 'yingshe' ji 'gan shimao'" (On "insinuation" and "keeping up with fashion"), *RMRB*, September 25, 1979, p. 3.

military armament branch factory, but he fails to respond to the workers' demands to reverse unjust verdicts and to increase democracy. He is also reluctant to implement the party's policy on intellectuals. Despite attempts by the workers and the party to educate him, Yu refuses to mend his ways, and in the end he is dismissed from office.

In this play, as in other works of its kind, the author challenges the idea implicit in the *shangheng wenxue* works that previous service to the revolution and opposition to the Gang of Four are sufficient qualifications for official position. *Xinhua* correspondent Han Wuyan, in describing audience reaction to the play, reported that its critics argued that because of his basic loyalty to the party Yu Guanqun should not have been dismissed from office. The play's supporters countered that while patience is necessary in dealing with cadres like Yu, it is wrong to ask the masses to continue their suffering while waiting for a few cadres to awaken. To argue that Yu should not be dismissed from office is to say that once a cadre takes office he cannot be dismissed unless he becomes a class enemy. This raises the question whether "a system which offers the security of life time jobs is in accord with the interests of the party and the people."²⁷

Correspondent Han's remarks about the debate are as interesting as the issues themselves. He argues that "opinions on a play or on a certain scene in a play may differ; it would be unreasonable to expect unanimity." Han values the play not for its political correctness but for the controversy it aroused. This controversy alone indicates that this play's success proves that literature can and should "interfere in life."

The idea that literature should "interfere in life" was not a new one. It was raised by a number of young writers who took part in the original Hundred Flowers Campaign, and it was attacked along with those writers in the subsequent Antirightist Campaign. These same writers, now rehabilitated, were active again in promoting the genre in 1979. One of them, Liu Binyan, published a new work in the September *Renmin Wenxue*—"Ren Yao Zhizhian" (Between man and monster). Another, Wang Meng, defended the genre in a *Guangming Ribao* commentary. Wang spoke of the need to portray life realistically and to write about the real contradictions currently undermining the socialist system. He warned that allowing the development of a new stereotype of "wailing literature" (*shangheng wenxue*) would be as harmful as the earlier stereotype of "golden pictures" promoted by the Gang of Four.²⁸

The party showed its support for this new breakthrough by republishing a number of stories by Wang Meng and others from 1957. A *Renmin Ribao* commentary praised the republished stories and argued that this genre would contribute significantly to the progress of

²⁷ "Should Yu Guanqun Be Dismissed from Office," FBIS 176 (September 10, 1979), pp. L17-L20. Correspondent Han's remarks include a summary of the play on which I have based my summary.

²⁸ FBIS 178 (September 12, 1979), pp. L17-L18. (*Guangming Ribao* Urges Writers to Portray Life Realistically.)

the four modernizations.²⁹ As new works appeared they continued to receive praise in the party press, but it soon became apparent that not everyone welcomed the new breakthrough. New lines of opposition were being drawn, and the battleground would be the upcoming national congress.

The Fourth National Congress

The Fourth National Congress of Chinese Writers and Artists convened in Beijing on October 31, 1979. The opening addresses, including a congratulatory address by Vice-Premier Deng Xiaoping, spoke of the unprecedented unity achieved in the field of literature and art in the previous three years. Yet repeated references to unity did not conceal the numerous controversies which engulfed the more than 3,000 delegates attending the congress.

A central area of controversy involved the clash between supporters of the "wailing literature" genre and those who defended the literature that more actively "interferes in life." While the former genre had helped to justify the rehabilitation of a number of veteran cadres, the latter raised serious questions about the wisdom of that policy. The cadres reacted by charging that these works continued to exhibit the disrespect for authority that had been engendered by the Gang of Four. They contended that works critical of party officials were harmful to the four modernizations and should be banned. In doing so, these critics formed a *de facto* alliance with writers of the "praise virtue" faction by claiming that the "emancipation of thought" and other liberalizations had gone too far.³⁰

The new leadership was thus faced with a serious dilemma. Writers and literary bureaucrats had both suffered under the Gang of Four, and it was hoped that this common bond would unite them. Once these two groups had been rehabilitated, however, old animosities combined with new disagreements to revive many of the tensions that had existed between them earlier. These were problems that predated the Cultural Revolution and could not easily be blamed on the Gang of Four. Thus it is not surprising that the controversy led to a rekindling of old grievances and increased demands for a more concrete reappraisal of those earlier years. The controversy once again focused attention on Zhou Yang, himself a rehabilitated cadre, an architect of the new policies, and the chief adversary of the activist writers in the first seventeen years of the People's Republic.

Just before the conference opened, Zhou Yang had been appointed a member of the party's eleventh central committee at the committee's

²⁹ Chen Chuantai and Zhou Zhou, "Wenxue yingdong ganyu shenghuo" (Literature should interfere in life), *RMRB*, September 11, 1979, p. 3.

³⁰ Xu Congje, "Zhonggong de wenyi luxian" (The literary line of the Chinese Communists), *Qishi Niandai*, 119 (December 1979), pp. 15-19, gives an excellent summary of this conflict.

fourth plenary session. This left Zhou at least as powerful as he had been before his purge. With Guo Moruo dead and Mao Dun over eighty, Zhou was again the person chiefly responsible for control of literature and art in China. His 25,000-word address to the delegates was the central document of the congress, eclipsing even the congratulatory address of Deng Xiaoping. Even so his power was not unchallenged, and the emerging controversy forced revision of his speech and delayed its publication until after the congress had adjourned.

Chinese domestic press reports ignored the controversy caused by Zhou's presence at the congress, and the Hong Kong newspaper *Ta Kung Pao* denied that he had been the center of attack. The newspaper did report that Zhou's speech had caused enough controversy to necessitate its revision prior to publication, but it insisted that he received wide support from the delegates in general. The controversy centered on Zhou's assessment of the first seventeen years of the People's Republic, in which he asserted that, in spite of some leftist errors, the literary line in the period had been essentially correct. A number of delegates challenged Zhou for failing to be more specific about these errors. As a result, the published version of the speech contained references to the campaigns criticizing Hu Shi's interpretation of *Dream of the Red Chamber*, the film "The Story of Wu Xun," and the literary ideas of Hu Feng. Zhou maintained that these criticism campaigns were necessary and proper struggles against feudal and bourgeois ideologies, but he conceded that it had been a serious mistake to allow them to become massive, nationwide campaigns. Zhou admitted that this mistake had caused great harm to thousands of innocent people and had put a chill on creative production.³¹

A number of other reports about the congress stated that in addition to criticisms of his speech, Zhou was repeatedly attacked by people who had been victims of campaigns he had sponsored in the 1940s and 1950s.³² Nevertheless, these reports agreed that Zhou's attitude was humble, and that he apologized to all who demanded it. His speech was praised for its expressed willingness to allow people to voice conflicting views, including criticism of Mao's "Talks." The delegates also welcomed his promise that literature and art would never again be made weapons of class struggle or of specific political campaigns. Zhou's success in dealing with his critics was evident at the end of the congress, when he was elected the new chairman of the Chinese Federation of Literary and Art Workers. He replaced Mao Dun, who was elevated to Honorary Chairman.

Zhou Yang may have emerged from the congress unscathed, but on

³¹ Xin Wenzhi, "Zhongguo wenyi fuxing de kaishi" (The beginning of the Chinese literature renaissance), *Ta Kung Pao* (Hong Kong), November 26, 1979, p. 2. Zhou's speech was published in the November 20, 1979 issues of *Renmin Ribao* and *Guangming Ribao*. A translation was published in FBIS 008 Supp 009 (January 11, 1980).

³² See the December 1979 issues of the Hong Kong journals *Qishi niandai*, *Zhengming*, and *Dongxiang* for articles on the congress.

balance the principle victories belonged to the writers and artists. The new works that "interfere in life" received unmitigated support from the delegates. Bai Hua, a veteran army writer, delivered a powerful speech in defense of the new literature. He argued that criticism of bureaucratism and abuse of special privileges was not something to be avoided, but should rather be regarded by writers as their sacred duty in the struggle for freedom. Bai even defended the human rights movement and chastised his fellow writers for their attitude that its participants were "too dangerous" to associate with. His emphasis on increasing the level of criticism in literature contrasted sharply with Deng Xiaoping's appeal for unity. In spite of this, the party did not move to prevent the publication of Bai's speech in *Renmin Ribao*.³³ This was at least a tacit acknowledgement of the positive reception the delegates gave to Bai's words.³⁴

The delegate support for the "interference" literature was also evident in their treatment of its opponents. During the previous summer a Chinese municipal official named Chen Yi had tried to suppress one of these controversial works, a play called "Jiaru wo shi zhende" (If I were real). As a result of Chen's opposition to the play, the delegates refused to support his election to any of the committees for which he was running. This was an indication of almost unanimous opposition to Chen's position, because the election procedure made it extremely difficult to reject any candidate whose name had been placed in nomination.³⁵

The party's attitude toward the various controversies at the congress was clearly visible in the closing address delivered by Xia Yan. Xia had always been a dependable spokesman for party policy in the literary sphere, and his speech was certainly scrutinized by the leadership and delivered with their approval.³⁶ Rather than showing clear support for either increased freedom or increased control, the speech was an apparent attempt to restrain both sides in the controversy. It issued a stern warning to each side of the danger inherent in attempting to press the other too hard.³⁷

Xia began by discussing the emancipation of thought in the literary

³³ "Meiyou tupuo jiu meiyou wenxue" (Without breakthroughs there can be no literature), *RMRB*, November 13, 1979, p. 3.

³⁴ New York Times correspondent Fox Butterfield reported that Bai's speech was printed without party approval (see the November 22, 1979 issue, p. A6). Nevertheless, one doubts that the paper would have printed the speech had objections been raised.

³⁵ Liang Yihao, "Wendaihui muhou zhongzhong" (Miscellaneous reports after the national writers congress), *Zhengming* 26 (December 1979), pp. 8-9.

³⁶ Xia Yan (the pen name of Shen Duanxian) is best known for his work in theater and film. A founding member of the League of Left Wing Writers, he and Zhou Yang were two of the "four bullies" referred to by Lu Xun in his attack on the supporters of the slogan National Defense Literature.

³⁷ Xia Yan, "Zhongguo wenxue yishu gongzuocheng di sici daibiao dahui bimu ce" (closing address to the Fourth National Congress), *RMRB*, November 17, 1979, p. 2. All quotes below are translated from this published version.

sphere. He noted that while no one openly opposed this principle, there were many who, for various reasons, could not accept it completely. Some even went so far as to point to "a few bad elements and anarchists who cause social unrest" as proof that the emancipation of thought had gone too far. Xia argued that the emancipation of thought had not only not gone too far, but in fact had barely begun to take hold. To Xia's mind the literary world was still quite a distance away from a state of real emancipation of thought and artistic freedom. He cited this as a major problem for all the delegates to work on in the future, encouraging them to break through all barriers and "forbidden areas."

Xia then turned to the equally important problem of stability and unity. He called on the delegates to abandon personal grievances and to concentrate on their work. He warned against allowing internal divisions to be exploited by "certain propaganda organs of the western world," and reminded the delegates that with freedom comes responsibility:

In literary creation and theoretical research there should be no restricted areas. But I have faith that before beginning to write about the topics, incidents and characters that interest him, a patriotic writer, a progressive writer, and particularly a Communist Party writer will necessarily consider how best to arouse the people's revolutionary spirit and raise their moral and aesthetic levels; he will certainly be aware of the heavy burden of responsibility he bears towards the nation and the people.

Thus while Xia began with a warning to the cadres not to try to clamp down too hard, he followed with an equally strong reminder to the writers that political standards had not been altogether abandoned and could not be ignored.

The "final verdict" of the Fourth National Congress was that the struggle for literary freedom would be allowed to continue, but would, it was hoped, be conducted in a manner that would not be overly disruptive to the nation's stability and unity. The strategy of restraining both the writers and the bureaucrats in favor of stability represents a marked change from the party's traditional tendency to throw its support strongly to one side or the other. For the writers especially this must be viewed as an improvement, since in the long run they have consistently been the losers in confrontations with their adversaries. The willingness of the party to stand by the new liberalizations in the face of growing pressure from the cadres was an important victory for the activist writers.

The writers' victories were moderated somewhat in early 1980, when the bureaucrats seemed to have once again gained the upper hand. By midyear, however, the activists had again overcome the conservative opposition. In a January 16 speech, Deng Xiaoping himself opened the door for the conservatives by calling for improved party leadership

in all sectors.³⁸ Deng's speech included an announcement that the "four big freedoms" would be removed from the constitution during the upcoming National People's Congress. These freedoms, often referred to as the "four bigs," include the right to speak out freely, air views fully, hold great debates, and write big character posters. Deng and others insisted that eliminating them would help the development of democracy in China by combating the anarchism caused by abuses of the "four bigs" by the Gang of Four.³⁹

In spite of these assurances, the negative impact on literary freedom was soon evident. An article in the January 23 issue of *Renmin Ribao* reminded writers that the interests of the people are inseparable from the interests of the party. The author declared that "For a writer to concern himself solely with exposing social ills heedless of the ensuing objective results is not a responsible attitude toward society."⁴⁰ This article and a subsequent *Renmin Ribao* commentary stressed that freedom from "flagrant interference" must be accompanied by a stronger sense of responsibility.⁴¹ If there was any doubt that these remarks were aimed at the new "interference" literature, it was made explicit at a Script Writers' Forum in late February, where these works once more came under attack. The forum was billed as "an important meeting following the Fourth National Congress," and it received front page coverage in both the February 25 and February 26 issues of *Renmin Ribao*. The play "If I were real," which had been defended at the November congress, was specifically criticized both at the forum and in a subsequent *Renmin Ribao* article.⁴² Soon after, Minister of Culture Huang Zhen was quoted as having criticized party cadres for "not daring to assume leadership" in the literary arena. He asserted that it was the Culture Department's responsibility and obligation to criticize literature and rectify any incorrect political orientation.⁴³

Response to these new attacks began to appear in May, when a *Beijing Wanbao* article admonished literary bureaucrats to "Guide, Don't Beat to Death."⁴⁴ That same month, *Wenyibao* carried an article criticizing those who opposed the "blooming" of the hundred flowers in the name of opposing anarchism.⁴⁵ In June *Renmin Ribao* carried an article attacking people who said that this was the wrong time to

³⁸ The unpublished speech was printed in *Zhengming* 29 (March 1980), pp. 11-23.

³⁹ *Beijing Review* 17 (April 28, 1980), pp. 3-5, summarizes the arguments in support of abolishing the "four bigs."

⁴⁰ Liu Mengxi, "Wenxue de mingyun he zuojia de ziren" (The fate of literature and the responsibility of writers), *RMRB*, January 23, 1980, p. 5.

⁴¹ Commentator, "Wenyi shi yindao renmin qianjin de 'denghuo'" (Literature and art are the 'lamplight' which guides the people's progress), *RMRB*, February 6, 1980, p. 5.

⁴² Chen Yong, "Cong liangge juban kan wenyi de zhenshixing he qingxiangxing" (Looking at tendentiousness and realism in literature and art through two scripts), *RMRB*, March 19, 1980, p. 5.

⁴³ FBIS 042 (February 29, 1980), pp. L9-L10.

⁴⁴ FBIS 110 (June 5, 1980), p. L18.

⁴⁵ FBIS 097 (May 16, 1980), pp. L11-L12.

discuss democracy.⁴⁶ Later that summer, the "interference" literature received a big boost when publicity concerning the Bohai #2 Oil Rig accident touched off a new, nationwide campaign against the evils of bureaucratism.⁴⁷ Finally, in October the popular film actor Zhao Dan made a deathbed speech in which he severely criticized the party's heavy-handed leadership of literature and art. The statement received wide play in the national press and touched off a new campaign against party interference in creative activity.⁴⁸

In conclusion, we must agree that the Fourth National Congress of Chinese Writers and Artists initiated a new era in Chinese literary policy. The Chinese press concluded that this new era was characterized by the unity achieved at the congress. On the contrary, our study indicates that the principle significance of the congress was that it offered some assurance that Chinese writers would be more free to "bloom" and "contend" on controversial issues like cadre abuses. The writers had indeed come a long way in the three years between Mao's death and the convening of the congress. The "literature of the wounded" which first appeared may have retained the tendency of contemporary Chinese literature to focus on past abuses rather than current problems, but it also rekindled the concept that literature could do more than simply praise the socialist system. The "praise virtue" debate provoked a strong defense of literature's responsibility to expose the "seamy side of socialism," and this led in turn to a new breakthrough. That breakthrough was the reemergence of literature that "interferes in life." Criticism of current problems and abuses had been tried once before in the Hundred Flowers Campaign, but the negative reaction of the Antirightist Campaign had devastated the literary arena. This time, in spite of a rising number of complaints from regional and local officials that the "emancipation of thought" had gone too far, the "interference" literature was defended at the Fourth National Congress. Further attacks on the genre in 1980 were similarly defeated.

Despite these advances, there is little doubt that Xia Yan was correct in suggesting that the Chinese literary world is still quite a distance away from its goal of breaking through all barriers and eliminating "forbidden areas." To date most of the breakthroughs have been accomplished by veteran writers who had already faced the party's wrath and who probably felt that they had little more to lose. A larger number of writers and artists remain cautious and hesitant, mindful that similar "thaws" have always ended in progressively deeper freezes. The leadership has shown its determination to fight "cold winds" where-

⁴⁶ FBIS 112 (June 9, 1980), pp. L24-L25. *RMRB*, June 2, 1980, p. 5.

⁴⁷ In November 1979 an oil rig being towed through stormy seas broke loose and sank to the bottom. Publicity surrounding the accident reached a high pitch the next summer, when responsible people were brought to trial. Eventually, the scandal led to the resignation of the head of China's oil ministry.

⁴⁸ Zhao Dan's statement was reported in the October 8, 1980 issue of *Renmin Ribao*. Subsequent coverage can be found on the literary pages (page 5) of the issues of October 15, 18, and 24.

ever they appear, but many of the still hesitant writers quite probably perceive those "cold winds" as coming from the leadership itself. The arrests of dissidents like Wei Jing-sheng and the growing restrictions on freedom of speech may possibly be viewed by the leadership as necessary to mollify those who fear that the liberalizations have gotten out of hand. In reality, however, those actions probably produce more of a chill among the "young sprouts" than the few remaining blusterings of the ultraleftists. As the Chinese have themselves acknowledged, it will take much more heated struggle to produce "spring breezes" strong enough to bring about a genuine blossoming of the longed-for hundred flowers.

TREATMENT OF FOREIGN POLICY ISSUES IN THE REGIONAL CHINESE PRESS

William Mills

CONTENT ANALYSIS of the press has long been one of the major means of collecting data on the attitudes of communist regimes.¹ It has generally been assumed that the media in communist states was centralized and that media commentary was related to regime attitude. Communist states use their media to mobilize support, set the general policy line,² and carry on public communication with foreign communist parties.³ However, in any given case the link between articulated attitude and true attitude has been recognized as complex because (1) portions of the press may be under the control of opposition factions within the elite,⁴ (2) some issues may be censored,⁵ (3) the

¹ Examples of the enormous content analysis-based literature include Donald Zagoria, *The Sino-Soviet Conflict 1955-61* (New York: Atheneum, 1966); William Zimmerman, *Soviet Perspectives on International Relations 1956-1967* (Princeton: Princeton University Press, 1969); Allen Whiting, *Chinese Domestic Politics and Foreign Policy in the 1970's* (Ann Arbor: University of Michigan Center for Chinese Studies, 1979); Milton Lodge, *Soviet Elite Attitudes Since Stalin* (Columbus, Ohio: Charles E. Merrill Publishing Co., 1969).

² See Alan Liu, *Communications and National Integration in Communist China* (Berkeley: University of California Press, 1971), pp. 135-136; the comments on the use of the press for domestic propaganda in the Russian sense of the word (i.e., ideological guidance) and the communication of role expectations in Erik Hoffmann, "Role Conflict and Ambiguity in the Communist Party of the Soviet Union," in Roger Kanet, ed., *The Behavioral Revolution and Communist Studies* (New York: Free Press, 1971), pp. 237-253, especially; and Franz Schurmann, *Ideology and Organization in Communist China*, 2nd ed. (Berkeley: University of California Press, 1973), pp. 62-68.

³ Zagoria, *Sino-Soviet Conflict*, p. 25.

⁴ An example concerning the Gang of Four's control of Shanghai publishing houses is given in Allen Whiting, "Mao, China, and the Cold War," in Yonosuke Nagai and Okira Iriye, eds., *The Origins of the Cold War in Asia* (New York: Colum-

audience being addressed is not always clear.⁶ Nevertheless, the relevance of articulated attitude to policy has often been assumed.

By the 1960s, this assumption was becoming increasingly dubious in the Soviet Union as media monopoly by the central government gave way to a more complex system in which sub-elites increasingly gained the right to publish house organs and the ability to conduct increasingly explicit debates in print. Differentiating between organs and identifying which sub-elite group or individual a given viewpoint might represent thus became more important to analysts.⁷

In the People's Republic of China (PRC), a similar process is now becoming apparent. Under Chairman Hua Guofeng, as China began to return to the "normalcy" of the 1950s, a vast outpouring of new periodicals occurred. Since normalization of relations with the U.S., these periodicals and others which had formerly been restricted to internal use have become readily accessible in major American Asian libraries. In view of the great importance of these developments to students of China interested in elite politics, regional-central relations, and the relationship of media commentary to regime attitude, a comparative analysis of the treatment of several major foreign policy events by some of the Chinese daily newspapers now available by subscription in the U.S. is given below.⁸ The events included are Vice President

bia University Press, 1977), pp. 267-269; a different use of the press for factional conflict—the printing of multiple sides of a debate in the same newspaper—has been identified concerning *RMRB* by Thomas Gottlieb, among others. See his *Chinese Foreign Policy Factionalism and the Origins of the Strategic Triangle* (Santa Monica, California: Rand R-1902-NA, November 1977).

⁶ For example, 13 protests to India by the PRC in August 1962 were kept secret, apparently to lessen public tensions, give diplomacy a chance to resolve the border conflict, and stress the seriousness of the notes. See Allen Whiting, *The Chinese Calculus of Deterrence* (Ann Arbor: University of Michigan Press, 1975), pp. 88-89.

⁷ Chinese exploitation of a Sino-Soviet border incident during Brzezinski's May 1978 trip to the PRC may well have been intended for American audiences—for example, to show the depth of Sino-Soviet hostility. This is the most immediately apparent explanation for the Chinese willingness to conceal some incidents while playing up this one.

⁸ See, for example, Robert Gates, "Soviet Sinology: An Untapped Source for Kremlin Views and Disputes Relating to Contemporary Events in China" (Ph.D. dissertation, Georgetown University, 1974), UM 74-21, 652; Herbert Dinerstein, *The Making of a Missile Crisis October 1962* (Baltimore: Johns Hopkins University Press, 1976); Jiri Valenta, *Soviet Intervention in Czechoslovakia, 1968* (Baltimore: Johns Hopkins University Press, 1979); Ilana Kass, *Soviet Involvement in the Middle East: Policy Formulation, 1966-1973* (Boulder, Colorado: Westview Press, 1978).

The papers examined in this essay, only some of which were available for the whole period (August 1979–September 1980) are: *Renmin Ribao* or *People's Daily*, the national Party paper and standard foreign policy source since 1949; *Nanfang Ribao*, a Guangzhou daily; *Beijing Ribao*, a Beijing daily; *Sichuan Ribao*, a Sichuan daily; *Xinhua Ribao*, a Nanjing daily; *Zhejiang Ribao*, a Zhejiang daily; *Wen Hui Bao*, a Shanghai daily; *Jiefang Ribao*, a Shanghai daily; *Dazhong Ribao*, a Shandong daily; *Gongren Ribao*, the national workers' paper; and *Guangming Ribao*, the national intellectuals' paper.

Since this essay constitutes an introductory survey of the regional press rather than a systematic analysis, it was deemed proper to include papers as they became available in the U.S. Much more valuable for foreign policy analysts are several papers which remain unavailable: *Jiefang Zhunbao*, the national military paper, and

Mondale's August 1979 trip to the PRC,⁹ the September 24, 1979 announcement of Sino-Soviet talks, Richard Nixon's September 1979 trip, the Soviet intervention in Afghanistan, Secretary of Defense Brown's trip to the PRC in January 1980, Vice-Premier Geng Biao's May 25-June 6, 1980 trip to the U.S., and the August 29, 1980 Chinese response to a Reagan campaign statement on Taiwan.

This study is the most severe test of the assumption that variations exist among Chinese newspapers. Foreign policy—especially policy toward the superpowers—is the least likely arena for open policy disagreement in the press because of its sensitivity and the argument that national security policy should be made at the center. Thus, if any divergence in treatment of Sino-superpower events is detected, it may be assumed that on many domestic issues disagreement will be even more open. It is also likely that real differences of opinion on foreign policy will be significantly greater than articulated differences.

Regional Press Coverage of Foreign Policy Events

Differential coverage of international issues by the regional Chinese press must be seen within the context of its freedom to provide any coverage. Therefore, before discussing substantive foreign policy issues, regional press coverage of three *types* of articles in *Renmin Ribao* (*RMRB*) will be examined. The official government statement, the most authoritative foreign policy article type in the Chinese press, represents one extreme. The Chinese government statement condemning the Vietnamese attack on Thailand was carried on June 26, 1980 with great consistency by all papers examined, including *Gongren Ribao* (*GRRB*), a paper specializing in workers' issues and devoting only minimal space to foreign policy stories. Yet even in this case, variation existed. The Shanghai press (*Jiefang Ribao* [*JFRB*] and *Wen Hui Bao* [*WHB*]) carried the article on page one, the rest inside, generally in the top left corner of page four. In sum, the most authoritative foreign policy articles will be carried throughout the Chinese press but not in identical format.

The second article type examined was *RMRB*'s series of four commentaries on the Soviet intervention in Afghanistan which ran on January 21, 22, 24, and 25, 1980. The third type was represented by two *RMRB* articles signed "Observer" on March 15 and 27, 1980. I found no other newspaper which reprinted any of these six articles.

RMRB commentaries and articles signed "Observer" are generally considered to be authoritative,¹⁰ but the nature of their treatment in

provincial papers from border regions such as *Xinjiang Ribao*. I was informed by a librarian in Beijing that the latter are still restricted to Chinese nationals precisely because of their coverage of border issues.

⁹ I am indebted to Michel Oksenberg for pointing out the existence of differences in treatment of Mondale's trip.

¹⁰ For example, see Whiting, *Calculus*, p. 81.

the rest of the Chinese press raises some questions. It could be reasoned that their absence from the regional press (which carries both Xinhua releases and government statements on foreign policy) indicates their lack of authoritativeness. It is also possible, however, that these articles occur only in *RMRB* because they are targetted specifically at foreigners and so are restricted to the newspaper most widely read abroad. In any case, the explanation is not that the regional press is forbidden from reprinting any *RMRB* articles, for this happens repeatedly with editorials.¹¹ The issue cannot be resolved here, but it is possible that major *RMRB* articles are somewhat less authoritative than often believed in the West.

In fact, highly placed Chinese journalists with whom I have spoken claim that even day-to-day Party—much less Politburo—control over *RMRB* does not exist, since the editors know what the Party wants without such guidance. Certainly, *RMRB* international editors must be politically sophisticated, but it is hard to believe that the press can be used to signal policy changes without direct Party control.¹² A reasonable working hypothesis is that signalling under Politburo orders is the exception, with editorial decisions made by the editors being the rule. In other words, decisions over phraseology, topic, and location would seem generally—that is, when signalling is not involved¹³—to be made at a level rather far removed from the Politburo, so care should be taken to avoid reading too much into such decisions in the absence of clear patterns. The inattention of the regional press to *RMRB* "Observer" articles and commentaries bears further analysis. In any case, the Chinese regional press prints the most authoritative foreign policy articles (official government statements) and a selection of what would logically seem to be the least authoritative articles (Xinhua [New China] News Agency wire stories) but appears to ignore most of the intermediate range: *RMRB* editorials (with some exceptions), commentaries (both from *RMRB* and Xinhua), and "Observer" articles. Enough issues of these regional papers will soon be available to permit a systematic study over a period of several years to see if this pattern has any exceptions.

The rest of this article will analyze treatment of selected prominent foreign policy issues across the Chinese press. It will be seen that in practice variations are introduced through headline changes, selective omissions,¹⁴ and changes in article location which enable regional editors to introduce subtle alterations in the tone of Xinhua releases. The regional editors thus manage to have their cake and eat it too: they can "comment" on the news without saying anything attributable to themselves.

¹¹ See *JFRB*, March 16, 1980, p. 1 and *NFRB*, January 28, 1980, p. 1 for *RMRB* editorials on domestic politics; *BFRB*, May 27, 1980, p. 4 for one on foreign policy.

¹² On *Pravda*-Politburo ties, see Daniel Tarschys, *The Soviet Political Agenda* (London: Sharpe, 1979), p. 44.

¹³ For cases of signalling, see Whiting, *Calculus*, pp. 81, 93.

¹⁴ See Alexander Dallin, *Diversity in International Communism* (New York: Columbia University Press, 1963), pp. xxxix-xi.

Regional Press "Commentary" on Foreign Policy Events

Mondale: First, the treatments of Vice President Mondale's August 25–September 1, 1979 trip to the PRC by *RMRB*, *WHB*, *GRRB*, *Nanfang Ribao* (*NFRB*), and *Beijing Ribao* (*BJRB*) are compared. Despite the fact that the trip was by the second highest official of a superpower whose relations with China were undergoing rapid change (conditions under which one might expect a strict Party line), wide variation in treatment (although not in manifest content) was found, as Table 1 indicates.

The most obvious difference shown in Table 1 concerns coverage. It is only reasonable that the national paper (*RMRB*) would cover Mondale's trip throughout his stay; that a workers' paper (*GRRB*) would deemphasize a foreign policy event of little particular concern to labor; and that a local paper would give more coverage to a foreign leader when he toured its region (e.g., *NFRB*'s coverage while Mondale was in Guangzhou compared to *BJRB*'s lack of coverage after he left Beijing). It is worth noting, however, that such explanations are logically sufficient from the *American* viewpoint; differential coverage of a national event on a regional basis need not automatically occur in a centralized state which uses the press to indoctrinate and mobilize the populace. Beyond this are certain differences in coverage for which regionalism or topical specialization do not constitute sufficient explanations. For example, *NFRB* covered the Mondale story extensively while he was still in Beijing, but *WHB* did not—ignoring the story except on August 29 and even then covering it only in muted form, without photos and with smaller and less favorable headlines. A Kremlinologist might well consider such differences signs of policy disagreement, especially considering the close ties of the Gang of Four to Shanghai. A detailed look supports the impression given by Table 1.

On August 27, *RMRB* ran a one-third page article in which Deng Xiaoping was quoted as speaking optimistically of the future of Sino-American relations, saying they had "entered upon a new stage" and were characterized by political, economic, cultural, and scientific cooperation. This speech, which went well beyond the standard format for welcoming speeches that are repeated with substitution of proper nouns whenever a foreign leader tours the PRC, was ignored by *WHB* on the 27th.

On the 29th, with the signing of agreements on cultural exchange and hydroelectric power, all five papers covered the story, but while *RMRB*, *NFRB*, and *BJRB* ran photos and long articles with large headlines, *WHB* had a shorter text, no photos, and small headlines. On the Mondale-Hua meeting, *WHB* omitted the paragraph quoting Mondale that both *RMRB* and *NFRB* printed. In another article on the 29th, which discussed a banquet Mondale and Deng attended, *WHB* selectively quoted (without rewriting) the Xinhua release in order to shorten it. The article was not slanted, just treated in muted form. One article on the 29th in *RMRB* and *NFRB* was headlined "Sino-American

TABLE 1: Summary of Treatment of Mondale's Trip

Date	RMRB	NFRB	BJRB	GRRB	WHB
8/26	Xinhua, p. 1	Xinhua, p. 1	Xinhua, p. 1	—	—
8/27	Xinhua, p. 1+5; headline: V-P Deng Welcomes VP Mondale	Ju Xinhua, p. 4, omitting some minor paragraphs	Xinhua, p. 1+4, omitting some; headline: Sino-Am. Relations Have Already Undergone Objective Development	—	—
8/28	Notes, p. 4+5; complete text of Mondale's speech, p. 5	—	Long summary of M's Beida speech, p. 4	—	—
8/29	Hua meets M, p. 1+photo; accords signed, p. 1; p. 5	(Same on p. 1)	(Same on p. 1); 3 notes, p. 4; Sino-American relations, p. 3	4 notes on M, p. 1; note on accords, p. 4; no photo	4 notes on p. 1; no photo; article on banquet, p. 2
8/30	M leaves Beijing for Sian	—	—	—	—
8/31	M leaves Sian for Guangzhou	M to Guangzhou, p. 1, photo, by local reporter	—	—	—
9/1	note on M in G	2 articles on M— p. 1, local reports	—	—	—
9/2	note on end of visit, p. 4	note + photo on end of visit	—	—	—

Relations Enter Upon an Important New Stage," thereby stressing the most pro-American aspect of the article. *WHB* was more nearly non-committal, reducing the headline to a minor subheading under a purely factual headline. In sum, a difference in degree of enthusiasm among newspapers expressed through changes in headlines, the location of reprinted Xinhua releases, and latent content (i.e., omissions) was found.

Sino-Soviet talks: The second event selected for comparison was the September 24, 1979 announcement that a new round of Sino-Soviet talks would be held in Moscow. The variation in treatment among papers was similar to that for Mondale's trip. The article (containing three stories) in *RMRB* (page four) was reorganized in *WHB*, but the text was reprinted under the Xinhua dateline. In *BJRB* (page two), the stories were slightly rewritten and published either under "Xinhua summary" (*zonghe*) or "according to Xinhua" (*ju*) datelines. *GRRB*, the paper least interested in the Mondale story, omitted the Sino-Soviet negotiations story altogether.

Nixon: The general pattern was repeated in the treatment of Nixon's September 1979 trip as well. *RMRB* covered the trip prominently, running front page articles with photos on the 19th (Nixon's meeting with Deng) and the 20th (Nixon's meeting with Hua). *WHB* gave prominent second page coverage on the 19th but replaced *RMRB*'s standard welcoming headline with: "A Stable and Powerful China Has Positive Significance for the Whole World." The only major article on Nixon's visit in *WHB* was thus run under a headline stressing not Sino-American cooperation but Chinese power. On the 20th, *WHB* omitted the photo of Hua's meeting with Nixon that was carried by both *RMRB* and *BJRB*. *GRRB* limited its coverage to a series of notes.

Afghanistan: Treatment of the Soviet military intervention in Afghanistan suggests that editorial control over the Chinese press remains stricter than over the Soviet press despite recent Chinese developments. In the Soviet press, articles with clear differences of opinion on fundamental foreign policy issues occur. On May 14, 1977, for example, an Aleksandrov piece in *Pravda* noted that "detente has become the dominating tendency of world development."¹⁵ *Krasnaia Zvezda* (*Red Star*, the military paper) published an article two months later which held that "the contemporary stage of world development is characterized by strengthening of the class struggle in the international arena."¹⁶ Not only were no such contradictions found in this study of the Chinese press, but major substantive articles originating with pa-

¹⁵ *Pravda*, May 14, 1977, p. 4; see my "Mediated Stimulus-Response in Sino-Soviet Relations: An Approach to the Analysis of Interstate Behavior," unpublished, 1979, p. 32.

¹⁶ *Krasnaia Zvezda*, July 19, 1977, p. 3.

pers other than *RMRB* did not even exist.¹⁷ Thus, while *RMRB* published an editorial and the government announcement on the Soviet intervention on December 31, other papers limited themselves to reprinting the announcement and running summaries of world press criticism of the Soviet move. All placed the announcement on page one, a rare example (as far as the stories surveyed here were concerned) of locational consistency. The story was a big one and the Chinese reaction predictable, but this consistency does raise the question of whether or not format instructions to the regional press accompany some stories.

Brown: On January 7, *RMRB* printed a detailed article on pages one and four on the welcome of Secretary Brown by Xu Xiangqian, Vice-Premier and Minister of National Defense. *BJRB* and *JFRB* both gave the story major billing. *JFRB* ran the story under a headline referring to "the exchange of opinions on national security," a considerably more substantive headline than *RMRB*'s standard reference to Xu's welcome. (As shown in Table 2, the pattern of a standard headline welcoming a visitor in *RMRB* but a substantive headline in various regional organs is common.) *BJRB* ran the story under the standard welcoming headline (in contrast to the implied pro-American attitude in *JFRB*'s headline). What makes this distinction in headlines seem truly significant is that a crucial paragraph of Xu's speech, reported both in *RMRB* and *JFRB*, was omitted from the *BJRB* article even though almost all of the rest of the *RMRB* version was reprinted unchanged.

After the Shanghai Communiqué, the standard Chinese comment on Sino-American relations was in essence: "Although our social systems differ, as long as both sides adhere to the five principles of peaceful coexistence (noninterference, etc.), our relationship will continue to progress."¹⁸ This rather negative description implied a warning about Taiwan and a somewhat tenuous hope for real cooperation. In recent years the line has been evolving—from Huang Hua's 1977 reference to "differences of principle between us, but in the present international situation . . . points in common"¹⁹ to Deng's reference to the five principles "as well as" strategic considerations during Mondale's trip.²⁰ But in the paragraph omitted from the *BJRB* article, Xu took a significant step forward:

Although different in social system and political belief, China and the U.S. can continue to develop many faceted relations on the basis of the five principles of peaceful coexistence *so long as we view and handle*

¹⁷ There were, however, minor articles giving local coverage of Mondale's visit to Guangzhou.

¹⁸ For example, see Deng's comments, *RMRB*, August 29, 1979, p. 1.

¹⁹ *Beijing Review* 36 (September 2, 1977), p. 7.

²⁰ *RMRB*, August 27, 1979, p. 1.

TABLE 2: Selected Headlines

Event	RMRB	Regional Press
Mondale's Trip, 8/27/79	"Vice Premier Deng Xiaoping Wel- comes Vice President Mondale"	<i>BJRB</i> : "Sino-American Relations Have Already Undergone Objective Development"
Nixon's Trip, 9/19/79	"Vice Premier Deng Meets and Entertains Mr. Nixon"	<i>WHB</i> : "A Stable and Powerful China Has Positive Significance for the Whole World"
Brown's Trip, 1/7/80	"Vice Premier Xu Xiangqian Fetes Secretary Brown"	<i>JFRB</i> : "Chinese and American Defense Ministers Exchange Opinions on Coping With National Security"



*Sino-U.S. relations in the light of the global situation and long-term political and strategic considerations.*²¹

Omission of this crucial passage in combination with the noncommittal headline hardly seems to have been accidental. Yet, if *BJRB* was implicitly attacking the idea of Sino-American strategic cooperation, then interpretation of the following line in its subheading is difficult: "Xu Xiangqian said that the Brown visit to China will be of benefit to the two countries' cooperation in the field of maintaining world peace and security." Given the positive coverage of Mondale's trip by *BJRB*, no pattern of disagreement has been identified. Nevertheless, an instance in which a key statement by a major Chinese leader was deleted by one newspaper has been found. Moreover, it seems reasonable to hypothesize that *BJRB* was showing its disagreement with the idea of long-term Sino-American security cooperation, for, in addition to the evidence above, a comment by Brown calling for "contacts" between the two defense department organizations was omitted from the *BJRB* report, and the whole article appeared on page four, in contrast to its page one location in both *RMRB* and *JFRB*. In sum, location, omission of key quotes, and headline content all suggest that *BJRB* was less favorably disposed toward Sino-American strategic military cooperation than *JFRB*.

The coverage by other papers varied widely, with both *GRRB* and *WHB* on the 7th printing only notes on Brown. For a paper to downplay foreign policy issues consistently is less significant than for it to give major coverage to an issue, as *BJRB* did, and still to omit a key passage. *GRRB* could, if challenged, argue quite reasonably that its role is working class issues, while *WHB* could argue with some justification that its role is coverage of Shanghai issues. Nevertheless, it is of interest to recall that *WHB* also gave very muted coverage to Mondale's trip. Moreover, *WHB*'s only major article on Nixon's trip appeared under a headline focusing on Chinese power, not Sino-American cooperation. In view of the past reluctance of the Shanghai-based Gang of Four to move closer to the U.S.,²² *WHB*'s muted treatment of both the Mondale and Brown trips as well as the headline used during Nixon's trip suggest that some Shanghai leaders (apparently not including the editors of *JFRB*) were still less favorably disposed toward Sino-American cooperation than the central regime.

Positioning of articles: The January 7-9, 1980 period is of particular interest because it contains two events, one related to the Soviet Union (the continuing Afghan intervention), the other to the U.S. (Secretary

²¹ *RMRB*, January 7, 1980, p. 1; translation by *Foreign Broadcast Information Service (FBIS), Daily Report (Far East)* 1:4 (January 7, 1980), p. B3; my emphasis in translation.

²² See Allen Whiting, *Chinese Domestic Politics*, p. 73, and "Mao, China, and the Cold War," p. 266.

of Defense Brown's visit). If one is interested in detecting differences in attitude toward the superpowers among the regional press, this is an ideal situation. It is also useful for detecting the reasoning behind policy because one can see how stories are played off against each other. Therefore, in addition to tone of headline and textual omissions, positioning of articles in relation to each other on a page can also be informative.

On January 9, *RMRB* ran an article on Hua's meeting with Egyptian Vice President Mohamed Hosni Mubarak at the top of page one and another directly beneath it and separated from the rest of the page on Deng's meeting with Brown. To emphasize this positional association, instead of the standard "X welcomes Y," the headlines read:

1. "The True Social Imperialist Countenance of the Soviet Union Exposed Throughout the World" (Hua-Mubarak);
2. "The Countries of the World Unite to Deal Earnestly With Soviet Expansionism" (Deng-Brown).

Sino-American-Third World cooperation against the Soviet Union was thus neatly implied. Although other papers differed somewhat (variously omitting photos, using a single headline, omitting the words "social imperialist" from the headline), all maintained the balance and association between these two articles and all ran headlines attacking the Soviet Union. Given the general freedom of papers to alter headlines, summarize articles, and locate front page *RMRB* pieces on back pages, the very consistency of treatment across six papers underscores the significance of the position of these two articles. Whether the consistency of treatment was in this case the result of agreement among the six editorial staffs, sensitivity of the editors to central preferences, or the result of a direct order from the center, this point remains valid.

One must be cautious about inferring from this consistency unanimity of attitude toward Chinese relations with the superpowers, as the various inconsistencies in the treatment of other foreign policy issues discussed above have shown, but it is clear that the increasingly close relationship with the U.S. is being justified to the Chinese people as part of anti-Soviet strategy. This is neither surprising nor inaccurate, but it is worth bearing in mind alternative bases for interstate relations (e.g., economic benefit, ideological accord) because the greater the degree to which Beijing justifies Sino-American cooperation on a narrow anti-Soviet basis, the less the likelihood of that relationship stabilizing. A relationship based purely on opposition to something is tenuous at best—particularly when the opposed entity has potential flexibility of its own. In this regard, monitoring of attitude toward Sino-American relations in a variety of Chinese media outlets may enhance our ability to predict the long-term prospects of that relationship. Variations in treatment of Vice-Premier Geng Biao's trip and in reaction to Candidate Reagan's campaign position on Taiwan illustrate this point.

Geng Biao: Table 3 summarizes the treatment of Geng Biao's trip in 10 newspapers (*WHB* was unavailable) for four selected days. All articles are reprints or summaries of one or more of the many Xinhua wire stories released during the event. A number of points of relative consistency emerge from the table: maximum coverage for all papers

TABLE 3: Reaction to Geng Biao's Trip

Paper	May 25	May 27	May 31	June 3
<i>RMRB</i>	Xinhua release	Xinhua release	Xinhua release, long	Xinhua release
<i>GMRB</i>	—	—	—	—
<i>DZRB</i>	Xinhua release	Xinhua release	Xinhua release, long	Xinhua, note
<i>XHRB</i>	Xinhua release	Xinhua release	Xinhua release, long	Xinhua, note
<i>NFRB</i>	Xinhua release	Xinhua, note	Xinhua release, long	—
<i>ZJRB</i>	—	—	Xinhua, note	—
<i>BJRB</i>	—	Xinhua, note	Xinhua, note	—
<i>JFRB</i>	—	—	Xinhua, note	—
<i>SCRB</i>	Xinhua release	Xinhua release	Xinhua release, long	(unavailable)
<i>GRRB</i>	(unpublished)	—	—	—

occurred on May 31; no regional papers totally ignored the event; neither of the two national specialty papers covered it at all. A pattern detected earlier—abnormally low coverage by the Shanghai press of stories on Sino-American cooperation—reoccurs here and is found to characterize not only *JFRB* but *Zhejiang Ribao* (*ZJRB*), paper of the province around Shanghai, as well. On May 25 and 27, *JFRB* and *ZJRB* both ignored Geng Biao's trip, while *Dazhong Ribao* (*DZRB*) of Shandong, *Xinhua Ribao* (*XHRB*) of Nanjing, and *NFRB* all ran stories on both days, as did *RMRB*. On May 31, *JFRB*, *ZJRB*, and *BJRB* (which had taken a cool stance on Sino-American strategic cooperation during Brown's trip) ran notes about one-third the length of the articles in *DZRB*, *XHRB*, *NFRB*, and *Sichuan Ribao* (*SCRB*). All the regional press gave the trip reduced coverage, but this is only to be expected since *RMRB* is eight pages long, twice the size of the regional papers. What is not to be expected are the marked variations in article length across regional sources described above or the variations in headline and text content.

The highly prominent *RMRB* article run under the headline "Geng Biao-Brown Talks Succeed" with a subheading referring to "strengthened military ties" was treated very differently by the regional press despite the fact that all the papers, including *RMRB*, used Xinhua releases as their texts. In addition to the prominence of the *RMRB* article (larger headline, at the top of the page, text three times as long), only *RMRB* ran headlines referring to Sino-American military ties. The other papers selected Xinhua releases referring to U.S. willingness to sell military items to China and referred to that in their headlines. They avoided any suggestion of Sino-American cooperation on military strategy. The closest any regional paper came to *RMRB*'s tone was the

NFRB headline "Vice-Premier Geng Biao and Secretary Brown Talks Completely Successful," which, given their respective posts, at least implied the existence of common strategic views. In fact, the *RMRB* sub-heading's reference to military ties was taken from Brown's comments, not Geng Biao's. The regional press quite reasonably seems to have the right to ignore comments made by foreigners. The interesting point is that in this case *RMRB* was going out of its way to stress the intimacy of Sino-American political and military ties, while much of the regional press, by careful focus on economics, was doing the opposite. A partial explanation may be that regional foreign policy attitudes are more conservative than those at the center—that regional leaders are adjusting more slowly than central figures to strategic realignments, in much the same way that Midwestern and Southern American attitudes tend to evolve more slowly than those of New York-Washingtonian figures. But more is involved than simple regional conservatism. Although no regional headlines referred to Sino-American strategic cooperation, papers outside the Shanghai area did print Xinhua stories on that subject under more noncommittal headlines.

In sum, regional coverage of Geng Biao's trip was not only more limited than *RMRB*'s but also less enthusiastic. The crucial points about military ties and common strategic views were omitted from the headlines of all regional papers checked.²³ Three levels of coverage were identified. *RMRB* gave long coverage including positive attention to the strategic implications of Geng's trip. Most of the regional press gave moderate coverage including attention to the strategic implications but focusing in headlines on military trade. The Shanghai area press and *BJRB* gave only minor coverage even to the economic issue and ignored the strategic one.

Candidate Reagan on Taiwan: Up to this point a pattern of Shanghai reluctance to see Sino-American relations improve and of *BJRB* opposition to military cooperation has been identified. The last story, which deals with the beginning of China's late 1980 reaction to candidate Reagan's Taiwan views, contradicts this pattern, showing that it will be necessary to analyze the Chinese regional press for far longer than one year in order to draw definitive conclusions. If *ZJRB*, *WHB*, *JFRB*, and *BJRB* in fact opposed Sino-American rapprochement, they could be expected to exploit the Taiwan issue, but *WHB* failed to react at all on August 29 to Reagan's pro-Taiwan statements, while both *ZJRB* and *BJRB* joined *XHRB* and *NFRB* in stressing hopes for continued development of Sino-American relations. *RMRB*, *GRRB*, and *Guangming Ribao* (*GMRB*)—that is, the national Party, workers', and intellectuals' dailies—stressed the threat to Sino-American relations posed by Reagan's views, as shown in Table 4. *GMRB*, a paper which generally gives

²³ However, many regional papers were still unavailable in the West as of September 1980, and the *WHB* for May 1980 was also unavailable.

TABLE 4: Headlines on Taiwan-American Relations

Paper	Headline's Key Message	Subheading's Key Message
<i>RMRB</i>	China Rejects Reagan's Views	Sino-American Relations Should Continue to Develop
<i>GMRB</i>	Reagan Violates Sino-American Accord's Spirit	Sino-American Relations Should Continue to Develop
<i>GRRB</i>	China Rejects Reagan's Views	Li Sternly Points Out
<i>WHB</i>	(story not carried)	
<i>ZJRB</i>	Sino-American Relations Should Continue to Develop	Li Sees Guest
<i>BJRB</i>	Sino-American Relations Should Continue to Develop	Reagan Violates Sino-American Accords' Spirit
<i>NFRB</i>	Sino-American Relations Should Continue to Develop	Reagan Violates Sino-American Accords' Spirit

little coverage to foreign policy, was particularly interested because, in contrast to all the others, it ran the article at the top of page one, thereby giving it greater prominence than *RMRB* did. As usual, the press divided, but instead of having the regional press split into a negativist group centered around Shanghai and a positivist group covering most of the rest, the regional press in this instance had a more positive tone on Sino-American relations than any of the three national papers, including *RMRB*.

Editorial License

Even though only a few events have been analyzed here, it is now possible to begin to define the limits of Chinese editorial license. First, at least some Xinhua releases can be ignored by the regional press, even if they are printed in *RMRB*. Second, those which are printed can be modified by selective omissions. In all cases found here, modification was indicated by the dateline: either "according to Xinhua" or "Xinhua summary" instead of simply "Xinhua." Third, the tone of headlines can be altered significantly by rewriting or switching headlines and subheadings. One common pattern is for articles on foreign guests to be run under a standard "X welcomes Y" headline in *RMRB*. This headline is then often replaced in the regional press by a substantive headline attacking or praising some party or policy. Another common pattern is for an article to have a substantive headline and a purely factual subheading in one paper and the reverse in another, so that the impression received by the careless reader is subtly altered even though the total headline information is the same. Fourth, the prominence of articles can be downgraded markedly from their prominence in *RMRB* by decreasing the size of headlines, putting lead articles on back pages, and omitting photos. For an event such as Mondale's trip, during which substantive progress was less important than the tone of the trip, such implicit dissent would seem to be quite mean-

ingful. In one case, *GMRB*'s treatment of the Taiwan issue, the prominence of an article was upgraded. Fifth, local stories can be written by local reporters (e.g., *NFRB* reports on Mondale in Guangzhou), but no major articles or commentaries were found which originated with the regional press. Sixth, the portions of a Chinese leader's speech quoted in the press may differ across papers even when space is not an obvious limiting factor. One case, *BJRB*'s treatment of the Xu-Brown meeting, was found in which a seemingly crucial statement was omitted. Seventh, in addition to latent and manifest content, page location of articles, and headline size and content, the position of articles relative to each other is significant. Stories must be read in the context of the rest of the page.

Finally, patterns, albeit shifting and sometimes inconsistent, have been identified in Chinese regional press coverage of stories on Sino-American relations which offer clues to the range of opinion among the Chinese elite on foreign policy. Methodological and substantive obstacles to the identification of differences of opinion are numerous. Methodologically, these papers are available only for brief and irregular periods of time. Substantively, not only is public disagreement over foreign policy obviously risky in China, virtually all the articles published on foreign policy come from one source—Xinhua. In other words, regional editors have managed to express differing opinions *using the same articles*. If regional papers obtain the funds and permission to send their own reporters overseas, or if they begin to write their own commentaries on foreign policy issues (already done on domestic issues), then the divergence of views detected here can be expected to show itself far more clearly. But despite these obstacles, it is already possible to offer tentative groupings of Chinese papers on the basis of the tone of their treatment of foreign policy issues. This grouping, shown in Table 5, suggests that Chinese papers can be arranged along a con-

TABLE 5: Relative Tone of the Press on Sino-American Issues

Paper	Mondale	Nixon	Brown	Gen Biao	Reagan on Taiwan
<i>RMRB</i>	positive	positive		positive	negative
<i>BJRB</i>	positive	positive	negative	negative	positive
<i>NFRB</i>	positive			positive	positive
<i>GRRB</i>	negative		negative	negative	negative
<i>WHB</i>	negative	negative	negative	negative	
<i>JFRB</i>			positive	negative	

Note: Blanks indicate ambiguity or missing issues.

tinuum, with *RMRB* and *NFRB* particularly enthusiastic about Sino-American rapprochement; *WHB* and *GRRB* notably less so. Initial indications are that *XHRB* is closer to the enthusiastic end, *ZJRB* and *JFRB* closer to the unenthusiastic end. Some evidence also suggests that

the regional press as a whole responds less rapidly than *RMRB* to changing international realities, implying that regional elites may view Sino-American rapprochement with relative distaste.

The small number of issues available prevents firm conclusions as to the political stance of any given newspaper, but it has been shown that however safe the assumption of a monolithic Chinese press may have been during at least some periods in the past, it cannot be taken for granted today.²⁴ Even though no manifest articulated dissent was observed, the latent differences found here would, if consistent across a longer series of stories on Sino-American relations, constitute a *prima facie* case for debate in the Chinese press. Whether press debate in fact indicates elite debate goes beyond the scope of this essay, but at the very least it has been shown that readers of *WHB* must have received a rather different impression of the Mondale and Brown trips than readers of the national daily *RMRB* or the Guangzhou daily *NFRB*; that readers of *BJRB* would have missed a key point in Xu's speech that was spelled out in *RMRB* and *JFRB*; and that Geng's trip was given much broader coverage in Guangzhou, Nanjing, and Shandong than in Zhejiang or Shanghai. A new tool for the analysis of Chinese politics has been placed in the hands of foreign Sinologists. Given the trends toward increasing publication, increasing availability of publications, and increasingly frank discussion of issues in print, the importance of this tool can be expected to grow.

²⁴ Given the unavailability of the provincial and city press in the past, the evidence presented here might constitute no more than the revelation of a previously concealed condition. The existence of embarrassing debates in the media would be a reasonable explanation for the former secretiveness of the PRC concerning their regional papers.

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REGIME CRISIS IN INDONESIA: FACTS, FICTION, PREDICTIONS

Ulf Sundhaussen

POLITICS IN General Soeharto's New Order over the past decade have been increasingly analyzed in terms of latent or impending crises threatening the survival of the regime. The list of advertised apocalyptic crises was swelled in May and June 1980 by news that a "constitutional coup d'état" had been attempted, accompanied by plans to assassinate the president and 75 other leaders. Yet, despite all the speculations on the regime's stability, political conflict in Indonesia has not escalated to the extent that would seriously imperil Soeharto's position. This article, using the "May 1980 crisis" as an illustration, will attempt to establish how the perceptions of crises develop and are manipulated, discuss the dimensions of both support for and opposition to the regime, and offer some predictions for the future of the New Order.

The May 1980 Crisis

The New Order has secured a hitherto unexperienced degree of stability in the history of Indonesia. This was partly achieved through coercion or sometimes merely the threat thereof. However, there are limits to the use of the military for the purpose of political control: the under-equipped army of 180,000 men¹ is rather small for a population of 150 million people and, moreover, may by inclination or for strategic purposes² not be willing to crack down forcefully on "the people." But

¹ The navy, including 12,000 marines, accounts for another 39,000 men, and the air force for 20,000 men. See *Pacific Defence Reporter Year Book 1980*, p. 161.

² The Indonesian defense strategy is still largely based on guerrilla warfare, which requires the willing cooperation of the rural population in particular. In the thinking of Indonesian defense planners, acts of suppression must be kept to an

the regime has also developed other means to secure the support of the population, including ideological, cultural, and economic appeals to particular sections of the community, buying off dissenters, and manipulating information.

Manipulation of information as a means of control—use and utility: While the Indonesian press has occasionally been exceedingly free since the collapse of parliamentary democracy in 1957, it has also at times of real or perceived crisis been rather strictly controlled in what it is allowed to report. Moreover, radio and television, which reach a much larger number of people, are state owned and can therefore be easily manipulated.

This kind of information policy has led the politically interested public to rely on "inside information" rather than the officially disseminated news. Over the last three decades a kind of rumor market has evolved on which "inside stories" are traded. Often, stories are launched quite willfully with little regard for facts and truth,³ sometimes by people who lack more effective means of dissenting from the government. They use the rumor market in order to discredit the regime and particularly question one of its more important political assets—the promise of stability.

A good number of foreign analysts and journalists, often in contact with the manipulators of the rumor market and other opposition groups such as student leaders not yet bought off by the regime, pass these rumors on to the outside world in the form of articles in newspapers or learned journals. For many of those foreign observers who strongly disdain the illiberal policies of the regime, any manifestation of political dissent may serve in their writing and reporting as evidence for the existence of unmanageable conflict which, surely, must bring down Soeharto's government at any time.

The notion that political dissent of any magnitude is threatening the survival of the regime, however, is also propagated by government supporters. For instance Lt. General Ali Murtopo, a member of Soeharto's "inner circle"⁴ and presently Minister of Information, has for years made dramatic statements stressing that the toppling or stepping down of General Soeharto from the presidency would be a national

absolute minimum. Rather, the chief architect of Indonesia's defense strategies, General A. H. Nasution, has consistently argued for sound economic and social policies as a means to retain the loyalty of the people. See U. Sundhaussen, *Social Policy Aspects in Defence and Security Planning in Indonesia, 1947-1977*, Occasional Paper No. 2, South East Asian Studies Committee, James Cook University, Townsville, Australia, 1980.

³ For one of the rare public discussions of the practices of the rumor market, see *Kompas* (Jakarta Catholic daily), July 17, 1976.

⁴ For a discussion of the relationship between Soeharto and his closest advisors, see U. Sundhaussen, "The Military: Structure, Procedures and Effects on Indonesian Society," in K. D. Jackson & L. W. Pye (eds.), *Political Power and Communications in Indonesia* (Berkeley: University of California Press, 1978), especially pp. 76ff.

disaster and could even spell civil war.⁵ Consequently, relatively minor political crises have been artificially blown up to assume the image of major problems, which in turn allowed the government to treat even nonviolent dissident politics as a danger to national security likely to be prosecuted as crimes against the state if the regime leaders feel sufficiently threatened. This was, for instance, the case in 1976 when a Javanese mystical leader and *dukun* (soothsayer), Sawito Kartowibowo, asserted that Soeharto had lost the *wahju* (divine radiance in Javanese mythology) and therefore the right to rule, and advocated the transfer of power from Soeharto to former Vice President Hatta. Although Ali Murtopo initially admitted that the "Sawito Affair" was hardly more than a "storm in a teapot,"⁶ the regime, upon reflection, decided to demonstrate its power vis-à-vis the potentially enormously influential community of *dukuns*⁷ by prosecuting Sawito for "acts which clearly can overthrow/damage/undermine the legal state power or government authority."⁸

Thus, in a way, opposition manipulators of the rumor market, foreign observers unsympathetic to the regime, and the government itself cooperate in misleading the public by manipulating information. However, in the "crisis" of early 1980, which again raised the question of regime stability and continuity, the worst offender has clearly been the government and its security agencies.

The catalysts of the May 1980 crisis: The immediate catalysts for the crisis were two speeches President Soeharto made in early 1980. At a meeting of armed forces commanders in Pekanbaru, West Sumatra, on March 27, Soeharto lashed out at groups he considered not totally committed to the state ideology, the *Pancasila* (Five Pillars), and to the "revolutionary" constitution of 1945, and condemned those who still oriented themselves on the value systems of the past, "Marxism, Leninism, Communism, Socialism, Marhaenism [Sukarno's particular brand of socio-nationalism], Nationalism, and Religion." The armed forces in its *dwi-fungsi*⁹ and as a force pledged to the defense and implementation of Pancasila and the 1945 Constitution "must continuously keep increasing its vigilance, (and) choose its partners from like-minded

⁵ This was most recently stated again on June 18, 1980. See *Tempo* (Jakarta weekly), July 12, 1980.

⁶ See R. William Liddle, "Indonesia 1976: Challenges to Suharto's Authority," *Asian Survey*, XVII: 2 (February 1977), p. 103. For references to other obscure so-called security threats, see *Sinar Harapan*, October 31, 1977; and R. W. Liddle, "Indonesia 1977: The New Order's Second Parliamentary Election," *Asian Survey*, XVIII: 2 (February 1978), p. 181.

⁷ If many of the more influential *dukuns* would agree that Sawito's interpretation is correct, Soeharto could be in trouble. But it is uncertain whether any attempts were made to coordinate the opinion of these *dukuns*.

⁸ See *Kompas*, October 28, 1977.

⁹ *Dwi-fungsi* means dual function of the armed forces, as defense and security agency, and as a socio-political force.

groups who truly defend the Pancasila, and have no doubts whatsoever in the Pancasila."¹⁰

Obviously, this was an attack on the Islamic United Development Party (PPP), which had consistently demonstrated its opposition to the government's attempts to formulate the spiritual and ideological foundations of Soeharto's "Pancasila democracy"¹¹ and had staged a walk-out when the legislature deliberated on a new party law. While it brought into sharper contrast the latent conflict between the government and organized Islam, the speech also upset a large number of people, particularly the so-called *barisan sakit hati* (sick-at-heart brigade), a group of retired officers who were increasingly critical of Soeharto and government policies, considered themselves patriots, and strongly resented the inclusion of nationalism in Soeharto's list of value systems of the past. Moreover, the officers had argued that the armed forces should be above party politics¹² and, therefore, abstain from giving the government-controlled "functional groups"¹³ party GOLKAR overt support, particularly in election campaigns. They were now greatly disturbed by the assertion that the military would continue to be used to back the government and GOLKAR against the Islamic—and implicitly anti-Pancasilaist—PPP or any other ideologically unreliable political grouping.

On April 16, in an impromptu address to the Red Berets (*Komando Pasukan Sandi Yudha*, or KOPASSANDHA) in Cijantung, West Java, Soeharto attacked "certain subversive groups" who spread rumors, discredit the government, and tarnish the head of state and his family. Apart from charging his wife with corruption, they also alleged that he had a mistress, a well-known actress, "whereas the truth is that I have never even met her."¹⁴ He said that they forget what the important issues are, like defending Pancasila, and that "they want to get rid of me. Yet they forget that someone will emerge who will defend the Pancasila even more resolutely than I." He reminded his audience and the nation that for all members of the armed forces the defense of the Pancasila is encapsulated in the pledges (the *Septa Marga* and the *Sum-*

¹⁰ A transcript of this reportedly unprepared speech was published in *Kompas*, April 8, 1980.

¹¹ See P-4, *The Guide to the Living and Practice of Pancasila, and GBHN, the Broad Outline of the State Policy* (Jakarta: The Centre for Strategic and International Studies, 1978), p. 4.

¹² See, for instance, "TNI dan Dwifungsinya" (Working Paper II), in *Prajurit-TNI sebagai Septa-Marga-is* (Jakarta: Forum Komunikasi dan Purna Yudha, no date), p. 12.

¹³ For the development of "functional groups" in Indonesian political thinking and politics, see D. Reeve, *An Alternative to the Party System in Indonesia: An Historical Evaluation of the Functional Group Concept*, Ph.D. thesis, University of Sydney, December 1977.

¹⁴ The allegations of Soeharto having a mistress have to be seen in the context of the political culture of the Javanese. Many Javanese believe that the *wahju*, legitimizing the rule of a king (or president), has actually not been bestowed by the cosmos on Soeharto himself, but on his wife, who is by birth connected to the royal dynasty of Solo. Therefore deceiving his wife could be interpreted to mean that he has cut himself off from the *wahju* and thereby loses the power to continue in office.

pat Prajurit) every soldier has undertaken. "Therefore all soldiers, regardless of whether they are still on active duty or already pensioned, must be firm in defending this aim"¹⁵ (and, by implication, his policies).

The reaction to Soeharto: Ironically, it was the *barisan sakit hati* which took the strongest exception to these two speeches. Over the years these retired officers had gathered in two organizations. One of them, the *Yayasan Lembaga Kesadaran Berkonstitusi* (LKB; literally, Foundation of the Institute for the Awareness to Act Constitutionally), consists of retired military personnel as well as politicians, leading figures in the legal professions, student leaders, and businessmen. It was formed by General A. H. Nasution in June 1978, attracted the support of the late Vice-President Hatta, and included among its founding fathers the former mayor of Jakarta, Lt. General (Marines) Ali Sadikin, and an ex-police commander, General Drs. Hugeng Iman Santoso, who had been sacked by Soeharto for his zealous attack on corruption in higher circles.

The other organization, best known as *Forum Studi dan Komunikasi TNI-AD* (FOSKO; Army Forum for Study and Communication)¹⁶ was founded in late 1977 on the initiative of retired Lt. General Sudirman, a devout Moslem from East Java, and ex-Colonel Sukanda Bratamanggala, the most senior Sundanese officer of the 1950s, as a forum for political discussion for the senior retired officers of the army's three most important divisions, the Siliwangi Division of West Java, the Diponegoro Division of Central Java, and the Brawijaya Division of East Java.¹⁷ Apart from Sudirman, the Presidium of FOSKO consists of retired Lt. General G. P. H. Djatikusumo, an outspoken royal prince of Solo, Central Java, and a former Siliwangi intelligence officer, Major General Drs. Achmad Soekendro; the post of Secretary General is held by retired Lt. General H. R. Dharsono who had been forced by Soeharto in 1969 to relinquish his command over the Siliwangi Division and was sacked as secretary general of the Association of Southeast Asian Nations for his scathing criticism of the Soeharto regime.

Since early 1979 cooperation between the LKB and FOSKO had improved and contacts extended to other—civilian—groups critical of the Soeharto regime such as the *Lembaga Sukarno-Hatta*. Reportedly organized and orchestrated by FOSKO, members of both organizations as well as a wide range of respected community leaders, including politicians of the banned Masjumi and the former Nationalist Party (PNI), fifty in all,¹⁸ in May 1980 signed a "Statement of Concern" and submitted it to parliament. The signatories voiced

¹⁵ See *Suara Karya* (Jakarta Daily), April 17, 1980.

¹⁶ The name changed in 1979 to *Forum Komunikasi dan Studi Purna Yudha*. At present the name, as well as its status as an organization, is uncertain.

¹⁷ Retired officers of other services, like Police General Hugeng, have since been admitted to FOSKO.

¹⁸ The number of signatories was limited in order to maintain a reservoir of activists who could step into the breach in case the government decided to take stern punitive measures against the signatories.

the deepest disappointment of the people over utterances President Soeharto made in speeches at the close of the armed forces commanders' conference in Pakanbaru on 27 March and at the anniversary of the Red Berets in Cijantung on 16 April. We are concerned about these speeches which

- a. assume . . . that the people are polarized into one group wanting "to make the Pancasila last forever," and another trying "to replace the Pancasila," which, (in turn) will only cause new conflicts between groups of people;
- b. define the Pancasila in such a way that it can be used to threaten political opponents, whereas the Pancasila was intended by the founders of the Republic to unite the nation;
- c. prepare for the less than praiseworthy intentions on the part of the authorities to systematically paralyze the 1945 Constitution, replacing it with the Sapta Marga and the Sumpah Prajurit although these two pledges cannot possibly rank higher than the constitution;
- d. urge the Armed Forces to take sides, that is, not to stand above all groups in society but, on the contrary, to choose friend and foe on the basis of the opinion of the authorities only;
- e. leave the impression as if Soeharto had come to consider himself as the personification of the Pancasila, so that every whisper against him can be interpreted as a stand against the Pancasila;
- f. allege the existence of efforts for an armed uprising, subversion, infiltration, and other incorrect efforts to oppose the next general elections.

Being of the opinion that the thoughts expressed in these speeches of President Soeharto should not be disseminated as officially representative of the authorities controlling the government of the nation and preparing the coming general elections, we urge the representatives of the people in both parliament and the People's Consultative Congress to review the speeches of the president delivered on 27 March and 16 April.¹⁹

When the "Statement of Concern" was handed to leaders of parliament on May 13 it was accompanied by seven pages of "Notes for the Discussion/Dialogue with the Leadership of the People's Consultative Congress/Parliament"²⁰ written by retired Lt. General M. Jasin. Jasin, a former *panglima* (commander) of the Brawijaya Division and deputy army chief-of-staff, heads the Section for Economic Policy of FOSKO and had for some years been writing letters to high functionaries of the regime accusing them of inappropriate conduct and demanding correction.²¹ In his "Notes" submitted to parliamentary leaders, Jasin argued that the speeches criticized in the "Statement of Concern" were not ab-

¹⁹ See *Pernyataan Keprihatinan*, signed Jakarta, May 5, 1980. This is an almost complete translation of the whole document.

²⁰ See *Catatan dalam manghadapi pembicaraan/dialog dengan Para Pimpinan MPR/DPR bersama dengan kelompok/perorangan lainnya pada tanggal*, April 13, 1980.

²¹ See, for instance, his letter to Soemarlin (Minister for Upgrading of the State Apparatus), signed M. Jasin, Jakarta, June 28, 1978.

normal but fitted into a pattern of misconduct. To prove his point, he enclosed a letter he had written earlier in the year to the Minister of Defence, General M. Jusuf, in which he had stated:

I no longer believe in President Soeharto or trust him because his leadership of the nation is in every regard hypocritical. I can prove his hypocrisy in the economy field as well as in the political field.²²

In the political field, Jasin argued in his "Notes" that Soeharto was dishonest because he had reached an agreement with General Jusuf that the armed forces should remain above partisan politics while instructing Admiral Sudomo in October 1979 to map out an election strategy which would involve the military in supporting GOLKAR in the 1982 election campaign. In the economic field, Jasin accused Soeharto and his son Sigit of misappropriating two state cattle ranches of 720 hectares, having the Public Works Department carry out road and irrigation construction on these properties, and ordering the navy to bring cattle from Australia, while at the same time arguing in public against the "commercialization of office."²³

According to Jasin, Soeharto's moral conduct was not only a private matter but affected the whole nation:

I still clearly remember the utterances of General Daryatmo, the speaker of the People's Consultative Congress and the parliament, when I, on 10 September 1979, discussed Soeharto with him in his study, where he said: "How can a battalion commander take action against his subordinates if he himself is not honest." Certainly every soldier will now ask who is the battalion commander of the state of Indonesia . . . (Even in the Old Order) we all did not tolerate, and rejected, the irregularities committed by President Sukarno . . . despite his very great services to the Indonesian state and nation. Now let me ask the following question: It is generally accepted that we now appreciate and value the developmental efforts carried out by the New Order led by President Soeharto, but can, and must, the people of Indonesia tolerate, permit, and accept the hypocrisy and irregularities of the New Order led by President Soeharto?²⁴

Jasin's stinging attack on Soeharto was sensational. Although there always had been room for harsh criticism of the government and government policies, even from within government circles, the person and personal integrity of the president is usually not attacked in public, nor are attacks formulated in such blunt language. Equally, the "Statement of Concern," although couched in terms more amenable to the style of Jakarta politics, was a frontal attack on Soeharto which, if accepted by

²² See letter to General M. Jusuf, signed M. Jasin, Jakarta, February 27, 1980.

²³ A euphemism frequently employed by the government to avoid the use of the more distasteful word "corruption."

²⁴ See also D. Jenkins' somewhat different summary in the *Far Eastern Economic Review*, May 30, 1980.

the legislature, would have rivalled in its possible political consequences only the Provisional People's Consultative Congress' decision of 1966 to review the teaching and ideological pronouncements of Sukarno, a decision that led ultimately to his downfall.

The manipulation of information as a means of control—use and futility: Of the four strategies listed earlier as available to the government for controlling political events, three were unsuitable in this situation: these respected citizens could not easily be coerced, nor could they in this instance be pacified by appeals of any kind, or be bought off. So the government settled on news manipulation as the most promising strategy. In an attempt to deny the dissidents any news coverage, all newspapers, the radio and television stations, and the national news agency ANTARA were ordered not to report on the Statement of Concern or Jasir's letters, and parliamentary leaders were instructed not to debate the issue. However, the news embargo soon turned out to be less than complete: within days thousands of copies of the documents drafted by the dissenters were run off and circulated in Jakarta, and Radio Australia—already under order by the Indonesian authorities to close its Jakarta office—reported the news the government sought to suppress in its popular Indonesian-language broadcasts to the region.

With its policy of a news blackout in tatters, Indonesia's security chiefs resorted to a policy of discrediting the dissidents. While the public was still kept officially uninformed, Admiral Sudomo, head of the infamous internal security command KOPKAMTIB, and Lt. General Yoga Sugama, head of the state intelligence organization BAKIN, in an "off-the-record" briefing of leading Indonesian journalists on June 3, accused the signatories of the Statement of Concern not only of attempting a "constitutional coup d'état" but also of planning to kill the president and 75 other leaders. In support of their accusation they produced a document detailing the assassination plot allegedly written on the same typewriter as the Statement of Concern.

This attempt to slander the dissenters backfired. The tale of the planned mass assassination was met with such disbelief and even derision by the brokers of the rumor market that security officers were forced to admit in private that the document produced by Sudomo and Yoga was nothing more than a crude forgery.²⁵ The outside world—including foreign investors normally jittery about the stability of countries in which they invest—learned of the assassination attempt through an unqualifying dispatch of the Jakarta office of United Press,²⁶ while the London *Times* took the tale a bit further in reporting that several plotters had already been arrested.²⁷ Even foreigners who read the specialized news media like the normally well-informed *Far Eastern Eco-*

²⁵ See D. Jenkins, "Marching with Golkar," *Far Eastern Economic Review*, June 27, 1980, p. 26.

²⁶ Carried, for instance, in *The Australian* on June 16, 1980.

²⁷ See *The Times*, June 14, 1980.

nomie Review could take little comfort from the revelations of the unprofessional handling of the affair by government officials.

Finally, the Indonesian public needed, to some extent at least, to be informed lest rumors heightened a sense of bewilderment and insecurity. By early July Ali Murtopo had in a rather cryptic way started to hint publicly at what had happened, leaving those who had some prior knowledge dissatisfied in their desire to hear the whole truth and those without foreknowledge puzzled and perplexed.

Thus as an exercise in cybernetic "steering," to use Weiner's expression, the attempt first to suppress information on dissident politics and then to defame the dissenters had proved to be a flop. Moreover, by encouraging speculation on regime stability and continuity the exercise had, for the purpose of the government, become counter-productive.

The Dimensions of Dissent

The analysis of conflict in Indonesia has always lacked the modicum of theoretical underpinnings that would put dissent into a useful perspective. Even a cursory glance at Easton's systems analysis would reveal that all political systems are exposed to both support and demand inputs, and that conflict in any society is normal, desirable, and unavoidable. The crucial question is whether the system can respond to demand inputs in a way that sustains sufficient support inputs for the system to survive or, to put it differently, whether conflict is manageable or not.

The categories of regime criticism: Obviously, distinctions have to be made between various kinds of demand inputs or criticisms. In the case of Indonesia, among those who do express opinions are three types of critics who differ from each other in regard to both the intensity of their criticism and their goals.

First, there are supporters of the regime who criticize the regime, often harshly, for particular policies without wanting it to perish or Soeharto to lose office; their criticism is basically constructive and aimed at propping up the regime. Soeharto may choose to tolerate their criticism or, if he feels his critics have overstepped the limits of what he considers tolerable, reprimand them in various ways. For instance, in November 1977 the deputy chairman of the Supreme Advisory Council, Lt. General Alamsyah, took the government severely to task over its tendency to regard legitimate student protests as subversive, its inadequate responsiveness to popular demands, particular aspects of its development strategy, and its failure to promote more meaningful democratic participation in politics.²⁸ He was shortly thereafter promoted to the important position of Minister for Religious Affairs. On the other hand, the deputy armed forces commander, General Surono, asserted at

²⁸ See *Tempo*, November 26, 1977.

the same time that the military "is not a force that only wishes to see every government policy defended at all costs,"²⁹ thus implying that the military, if led by himself, might not want to remain, as it is now, strictly confined to unquestioning support of the regime without having a say in the process of decision-making. This degree of independence was unacceptable to Soeharto, and Surono was shunted sideways into the relatively unimportant position of Coordinating Minister for Social Welfare and denied the widely expected promotion to Minister of Defence and Commander of the Armed Forces.

At the other extreme are those critics who wish to see the complete demise of both Soeharto and the New Order, and who oppose any kind of military involvement in politics. Their voice is largely muted and their impact slight, partly because it is too dangerous to advocate openly the dismantling of the present political order and partly because the alternatives they offer to replace it—i.e., a return to parliamentary democracy, a socialist order, or a Sukarnoist type of regime characterized by militant chauvinism and lack of economic development—hold little attraction to the political public.

Between these two groups of regime critics are those who are neither staunch regime supporters nor advocates of its complete elimination. This group of ambivalent critics consists mainly of Soeharto's allies in 1965–1966—i.e., Moslem party politicians, a new generation of students, and officers disenchanted with the way the New Order has developed. The Moslem politicians have been mainly concerned with blocking legislation which in their view contradicts Koranic stipulations or diminishes the disputed status of Islam in Indonesia. Despite the fact that they are heavily outnumbered in the legislative organs by GOLKAR and the military, they have succeeded in holding their ground without, however, exhausting the means at their disposal to attack the government.

The students have at times been more aggressive, attacking regime corruption, wrong investment policies, the increasing income gap between rich and poor, excessive interference of the military in non-military fields, and government policies on civil rights. Moreover, since 1977 they have gone as far as advocating the replacement of Soeharto in the presidency. But they have been even less successful than the Moslem party politicians. Although important functionaries of the regime, such as the then commander of the Java defense region, Lt. General Widodo, and Adam Malik, then speaker of parliament, conceded that especially before elections it is natural, normal, and healthy to express political opinions, even unfavorable ones,³⁰ Soeharto came to judge their often temperamental street politics as overstepping the limits of permissible political activities. Soeharto replaced the affable Major General Thajeb, who had been instrumental in forging the army-

²⁹ See *Kompas*, November 25, 1977.

³⁰ See *Kompas*, November 1 and 2, 1977.

students alliance in 1965, as Minister for Education and Culture with Dr. Daoud Jaesoef, a Sorbonne-trained economist familiar with both the revolutionary potential of students and the strictly regimented education system in France, in order to crack down on the students. Over two hundred students were arrested in the wake of outspoken protests against Soeharto's re-election as President in March 1978,³¹ the student councils in all universities were dissolved and banned, and Dr. Jaesoef launched what is euphemistically called "normalization of campus life," a policy designed to keep the students off the streets and politically compliant. Such a policy became "necessary" from the government's point of view when students, who until 1977 had lacked the determination to fight for the overthrow of an order that had provided many of them with a comparatively high standard of living and reasonably good job prospects, turned more militant.

A new kind of challenge—the veterans: More alarming than the growing student militancy was the entrance of senior, formerly pro-New Order officers into the ranks of the opposition in an organized way, starting with the emergence of FOSKO and Nasution's LKB in 1977–1978. Many of these senior officers had gradually become disenchanted with government conduct and policies. While still on active duty, a few of them had voiced sometimes harsh criticism; many others had grumbled audibly but, locked into the system of military hierarchy, had complied when the choice was to obey orders or go into open mutiny. There has been a long-standing aversion in the military against mutinies or coup attempts, partly because of the realization that coups against one's military superiors do not solve problems but instead are likely to produce counter- and counter-counter-coups, and partly because the history of the Indonesian military demonstrates quite convincingly that, apart from one ultimately self-defeating instance of mutiny in the wake of the so-called 17 October 1952 Affair, mutinies are bound to fail.³² But their retirement provided these officers with the opportunity to criticize the regime openly.

In the forefront of the retired officers critical of the Soeharto regime is General A. H. Nasution. A Dutch-trained officer, he largely masterminded the guerrilla war against the colonial power, served for nine years as army commander, seven years as minister of defense, and in 1966 became Chairman of the People's Consultative Congress, which he tried to develop into a truly legislative organ until he was forced into retirement in 1971. In 1958, he developed the concept of *dwi-fungsi* (then called the Middle-Way concept), which stipulated that the military should be one of the social-political forces, but not the dominant one,

³¹ Many were released, and student leaders prosecuted were given comparatively lenient sentences against which they were allowed to appeal. See *Far Eastern Economic Review*, March 7 and April 25, 1980.

³² See U. Sundhaussen, "The Fashioning of Unity in the Indonesian Army," *Asia Quarterly* No. 2 (1971), *passim*.

determining the fate of the nation. He was the first to advocate a return to the "revolutionary" constitution of 1945 based on the Pancasila after parliamentary democracy had collapsed from within. Although he cooperated closely with Soeharto in forcing Sukarno out of the presidency, he grew increasingly apprehensive when he realized that the government deviated more and more from the original concept of *dwi-fungsi*, the principles of the 1945 Constitution, and the spirit and morality embedded in the Pancasila, the upholding of which he considered to be the very *raison d'être* of the New Order.³³

While his criticism of the government's misconduct and corruption became gradually more articulate in his addresses to military establishments, Moslem audiences, and student groups,³⁴ it seems that only by the late 1970s did he conclude that the issue at stake was no longer simply the wrong-doings and failures of the regime but the corrupting of the whole nation, the loss of a sense of duty, dedication, and sacrifice which, in his view, had pervaded the earlier years of the republic, and the systematic undermining of the spirit and letter of the constitution. As he had done during the 1955 election campaign³⁵ and in the constitutional debates of the late 1950s, Nasution now started to renew his call for a return to the spirit and true meaning of Pancasila and the 1945 Constitution.

His perception of the situation was shared by a number of respected citizens, including former Vice President Hatta, who jointly stated that "the political events of 1977 and 1978, particularly those relating to the general elections, the formation of our democratic institutions, and the session of the People's Consultative Congress (which re-elected Soeharto as President) have forced us to make a more accurate and consistent effort to secure the survival of the Pancasila and to direct the state based exclusively on the 1945 Constitution, as it has been determined by the whole nation at the beginning of the New Order twelve years ago."³⁶ For the salvation of a correct constitutional order the *Lembaga Kesadaran Berkonstitusi* was set up. While KOPKAMTIB has been trying to interfere in the public activities of the LKB, Nasution has continued his campaign. Arguing that the political excesses of the Sukarno regime have led Soeharto to develop a "politics phobia" and to try to solve political problems by bureaucratic-administrative means, he condemns the New Order's "Pancasila Democracy" for lack-

³³ See his address to Instructors of the Military Academy, *ABRI-Orde Baru Saptamarga-UUD 45*, roneo, September 1966, p. 32.

³⁴ See, for instance, his address to the Catholic Atma Jaya University in Jakarta, *Renungan 31 Tahun Merdeka: Kemerdekaan, Keadilan Sosial dan Pembangunan Kita sekarang*, roneo, August 18, 1976; and his address in the Muhammadiyah University in Jakarta, *Mendekatkan Jurang Pemisah antara Si-Kaya dan Si-Miskin*, on October 4, 1976.

³⁵ See his election campaign speech as a candidate of IP-KI, "Apa Sebabnja Saja Bersedia Mendjadi Tjalon IP-LI," in M. Umar Hutapea, *Menjongsong Kongres Nasional Ke III-IP-KI di Surabaya*, Surabaya, 1961.

³⁶ See *Pernyataan*, dated June 1, 1978.

ing both democracy and the true spirit of the Pancasila. Sovereignty, which according to the constitution is vested in the people who elect their representatives in the legislative organs, has been violated by the regime, which delegates unelected soldiers to both parliament and the People's Consultative Congress, and maintains unconstitutional institutions such as KOPKAMTIB.³⁷ According to Nasution, the latent crisis of the New Order is not one of personalities—he does not care whether Soeharto is in office or someone else, nor does he indulge in speculations on who should succeed him³⁸—but one of observing the letter of the constitution and the spirit of the Pancasila.

The officers who gathered in FOSKO were conceptually not too far removed from the assessments of Nasution and the LKB. What prevented a merger between the two groups were disagreements over the exclusiveness of FOSKO—it limits its membership to senior military men only—longstanding personal animosities between Nasution and some members of FOSKO, the different thrust of their arguments, and differences in their political strategies. Nasution tries to address the nation but, in fact, finds that increasingly he reaches only Moslem and student audiences. FOSKO, at least initially, was aimed at influencing the officers on active duty and appears to have been more interested in re-defining the role of the military in society than in demanding, as Nasution did, strict adherence to legal and constitutional norms. Moreover, enjoying not quite the social status of Nasution and Hatta, they were much more exposed to the wrath of KOPKAMTIB. The solution to this problem was to offer their “advisory services” to the then army chief-of-staff, Lt. General Widodo, who somewhat hesitantly agreed to incorporate FOSKO into an army foundation, the *Yayasan Kartika Eka Paksi*, headed by himself. Widodo's justifiable apprehension about shielding FOSKO from KOPKAMTIB was overcome by putting him under the sort of social pressure the basically feudally inclined ethnic Javanese find difficult to resist. FOSKO's liaison with Widodo was conducted by retired Lt. General Djatikusumo, who could pull seniority on Widodo, remind him of their common service in the Diponegoro Division and the obligations an *anak buah* (follower) has towards his *bapak* (father, superior), and impress him with his royal descent.³⁹

In a flood of memoranda and position and working papers submitted to Widodo (and other interested groups and individuals), FOSKO attacked a broad range of government failures. With oblique references

³⁷ These are the recurrent themes in two recent unpublished papers, an address to the *Lembaga Studi Pembangunan*, entitled *Tata Politik dalam Ketatanegaraan yang Sehat*, May 5, 1980; and an address to the *Kelompok Cipayung*, five student organizations, under the title of *Posisi dan Peranan ABRI dalam Penyelenggaraan Kekuasaan Negara*, June 9, 1980.

³⁸ Interviews with General Nasution, June and July 1980.

³⁹ Characteristically, Djatikusumo in his letters to Widodo did not use the proper address “bapak” but put Widodo in his social station by addressing him as “saudara,” and in order to devalue the president, he referred to Soeharto with the unusual, more egalitarian “rekan” (comrade).

to Dante, Schopenhauer, and Hegel—and Adipati Karna and Sang Harjuna of the world of Indo-Javanese mythology—FOSKO warned against the decline of both patriotism in society at large and the unity of the army and people. To remedy this situation, research should be undertaken into the perception the people have of the army now.⁴⁰ FOSKO argued that the government's domination of GOLKAR has given rise to the notion that Indonesia is drifting towards the situation of Latin American "Banana Republics" run by military juntas. Rather, GOLKAR should be made to reflect the true wishes of the people instead of being used as an instrument for the implementation of the political aspirations of the military leadership. The whole concept of *dwi-fungsi* has to be reviewed and adjusted to the needs of the people, including the safeguarding of the fundamental principles of democracy. But it does not mean that *dwi-fungsi* has to be abandoned: in fact the military has an important role to play as "stabilizer" of national politics and as "ultimate custodian of the independence of the nation and state of Indonesia." However, in order to play these roles it must unselfishly work for the interests of the people, must operate by constitutional means and use persuasion rather than oppression, and "must be above all political groupings." Thus to achieve "clean government," parliamentarians must be free to function while having the interests of the people at heart, the government should be truly accountable to parliament, it should establish control mechanisms protecting the public against economic exploitation and abuse, the principles of the rule of law must be implemented in order to prevent the emergence of a police state, and unconstitutional institutions like KOPKAMTIB must be abolished.⁴¹

Confronting the challengers: These were, by implication, harsh condemnations of the policies of the regime. Unable to contain the spread of information about the dissidents' stance, or to arrest these respected citizens, the government proceeded to demonstrate that it still has the means to punish its critics. Since many of the signatories of the Statement of Concern and members of FOSKO and the LKB are in business and often depend on government contracts, the government cut its ties with companies owned or run by these men. For instance, Dharsono, the secretary general of FOSKO and also the director-general of PROPELAT, a public construction company in Bandung, was given to understand that a road construction contract vital for the survival of the ailing company had been cancelled by the government and that the government-controlled Bank Dagang had withdrawn its promised loan "for non-technical reasons." Dharsono had no choice but to resign his

⁴⁰ See *Beberapa Aspek dalam Tanggapan Kemanunggalan ABRI dengan Rakyat*, an unsigned discussion paper attributed to retired Lt. General H. A. J. Mokoginta, in charge of the Political Section of FOSKO, who has drafted most of FOSKO's discussion papers.

⁴¹ See *Kertas Kerja* (Working Paper) Nos. II, III, and IV, in *Prajurit-TNI sebagai Sapta-Marga-is*.

post in order to save PROPELAT. Those who were economically independent of the government were harassed in different ways. Nasution lost the three soldiers still at his disposal as drivers and guards, and he and other senior officers were denied passports to travel overseas. Jasin, the writer of vitriolic letters,⁴² was summoned to appear before a public prosecutor and was thus threatened with the possibility of having criminal procedures started against him. On the social circuit Jasin both stated that he would be looking forward to arguing his case in the public environment a court case would provide and at the same time threatened that he would shoot the first person entering his house in order to arrest him. He only complied with the summons after the *panglima* of Jakarta, Major General Norman Sasono, a former military policeman, threatened publicly "to pick him up myself."⁴³

The reaction of the regime leaders to the dissenters was at least partly explained by their fear that the FOSKO-LKB activities may function as a catalyst for more widespread protest actions and may influence the attitudes of impressionable officers on active duty. However, as it was to turn out, there was not much overt support for the signatories of the Statement of Concern. The Moslem politicians in parliament⁴⁴ followed their familiar policy of not getting involved in power politics and did not even insist on debating the Statement in parliament. There was a feeble statement of support from certain student quarters but no student strike or street protests emanated. There are several explanations for this. Apart from the restrictive policy of "campus normalization," there is a temporary inclination on the campuses towards "getting on with one's study."⁴⁵ The small but influential band of liberal civil rights campaigners also remained passive, nor were there any discernible activities from either the underground PSI or the underground PKI. No ethnic group used the opportunity to voice its grievances. Most importantly, practically no ethnic Javanese, apart from the "cosmopolitan" dislocated Javanese of Bandung and Jakarta, backed the move against Soeharto in which people from the Outer Islands were just too prominent to attract Javanese support.⁴⁶ Important retired officers identifiable as critics of the regime, such as Generals Sumitro, Kemal

⁴² In a letter to Soeharto, Sudomo, and Yoga dated June 1, 1980, General Jasin described the actions against the dissenters as "superficial, malicious, dirty and wicked" and "challenge(d) the authorities . . . to an open dialogue befitting the conduct of valiant warriors, with the Freedom Fighters who jointly founded our beloved state of Indonesia."

⁴³ See *Sinar Harapan* (Jakarta Protestant daily), July 1, 1980.

⁴⁴ They derive mainly from the inward-looking, opportunistic Nahdatul Ulama, while a number of former Masjumi politicians signed the Statement of Concern.

⁴⁵ There are also specific reasons. For instance, in the Bandung Institute of Technology, a center of antigovernment activities for longer than any other university, a group of antiregime radicals earlier in the year beat up innocent campus security guards, which alienated both staff and the majority of students.

⁴⁶ Paradoxically, both political parties, the Islamic PPP and the secular PDI based on the "Old Order-oriented" Nationalist Party, have their stronghold among the ethnic Javanese, while the ethnic minorities provide most of the leadership of both the *barisan sakit hati* and the students, but vote for GOLKAR.

Idris, and Ishak Djuarsa, did not throw their weight into the battle and, crucial for the survival of the regime, there was no observable unrest among the serving military officers.

Thus, as far as the regime is concerned, conflict in the first half of 1980, as in earlier instances of dissent, was manageable, partly because the authorities retained the strength and means to cope with dissenters and partly because dissent occurred in such a variety of intensity, commitment, and ultimate objectives of critics that joint action against the regime could not eventuate.

The Dimensions of Support

In the literature on present-day Indonesia one finds the argument that the regime is increasingly isolated and weakened because the 1965–1966 alliance of army, Moslems, and students on which the New Order was founded has for all practical purposes collapsed.⁴⁷ However, while the notion of the demise of the alliance is factually largely correct, the interpretation of its significance may not be.

Alliances between the military and civilian groups in the New Order: Political alliances are usually formed for specific purposes. Once this purpose is achieved alliances often do not survive without the rationale that brought them together. The purpose of the army-Moslem-student alliance in 1965–1966 (in which the army was clearly the senior partner) was, first, to smash the Communist Party (PKI) and, second, to effect significant ideological and economic changes in Sukarno's policies. When Sukarno refused to oblige, the aim changed to bringing him down. With the toppling of the President and the elimination of the PKI accomplished, the differences in the interests and aims between the partners of the alliance quickly came to outweigh what may have been left of their formerly shared goals. While the Nahdatul Ulama politicians basically reverted to their policy of the Guided Democracy era—namely, to protect rather narrowly formulated Islamic goals—and student leaders were unable to formulate lasting policies primarily because of the normal process of regeneration of their ranks (some joined the government in the developing process of polarization), the army leaders consolidated their position in the government and the armed forces and looked for new allies to pursue their goals of rehabilitating the run-down economy through a strategy of economic growth and political stability and, of late, of a carefully controlled and orchestrated gradualist political development dubiously called "dynamic stability."

For the purpose of economic development the New Order leaders entered into alliances with social forces who shared particularly their economic aims—i.e., technocrats, part of the intelligentsia, Chinese and

⁴⁷ See, for instance, B. Anderson, "Last Days of Indonesia's Suharto?," *Southeast Asia Chronicle*, No. 63 (July–August 1978).

indigenous businessmen, and administrators. The main difference between these new alliances and those of 1965–1966 is that the latter had been born out of a deep political crisis and required heroic stances to be taken: it was therefore a more visible, tangible alliance. By contrast, the new alliances are not based on heroic deeds but require unspectacular and steady support.

The low-key appearance of the new alliances should not, however, detract from their vital importance for the regime. The New Order has, far more than any other regime or era in Indonesia's post-1945 history, transformed the social and economic fabric of society. Massive infusion of overseas capital into the economy and the mobilization of indigenous funds for developmental purposes has started to result in established social behavior patterns, the all-pervading patron-client relationships giving way to a more capitalist-type of relationship particularly between owners of the rural means of production and wage labor,⁴⁸ and in the emergence in the cities and towns of a salaried bourgeoisie and a comparatively well-off petty bourgeoisie.⁴⁹ In this process of change from a traditional feudal society to a semi-capitalist one the new allies of Soeharto not only perform valuable services in bringing about this transformation, but they also function—at least initially—to absorb newly emergent social groups and thus enhance the potential support for the regime. There can be no doubt that the ever-growing number of people who for the first time can afford a car or leisure activities (for instance, internal and weekend tourism is booming on an unprecedented scale) will support the regime when its possible demise threatens their newly acquired life style.

Attitudes among the younger generation of officers: Of foremost importance for the survival of the regime is that the large majority of the military officer corps, although barred from participating actively in the processes of decision-making, continues to support the government. Briefly, the dominant component of the regime consists of officers who, like Soeharto himself, are retired from active service but keep control of the defense establishment and the security agencies through a small number of the youngest officers of the war-time "1945 Generation," a tiny number of officers recruited between the wars of independence and 1957, and the first officers of the distinct, new generation (*generasi muda*) who entered the newly opened military academy in 1958. These

⁴⁸ See W. L. Collier, Gunawan Wiradi, and Soentoro, "Recent Changes in Rice Harvesting Methods," *Bulletin of Indonesian Economic Studies*, IX, July 1973, pp. 36–45; H. Feith, *Political Control, Class Formation and Legitimacy in Suharto's Indonesia*, unpubl. paper (Conference of the Asian Studies Association of Australia), Melbourne, 1976, pp. 2ff; and D. Robison, *Culture, Politics and Economy in the Analysis of Indonesian Political History*, unpubl. paper (Conference of the Asian Studies Association of Australia), Brisbane, 1980, pp. 23ff.

⁴⁹ See J. Mackie, "Indonesia since 1945—Problems of Interpretation," in J. Mackie *et al.*, *Contemporary Indonesia: Political Dimensions*, Centre of Southeast Asian Studies, Monash University, 1978, p. 10.

officers are tied to the regime either by personal loyalty to Soeharto or by self-interest, or are largely professional soldiers with little interest in politics who are willing to carry out orders.

By 1982, the year of the next general elections in Indonesia, the last officers of the 1945 generation will be retired, and the political attitudes of the *generasi muda* will become crucial for the direction the New Order will take in the 1980s. The government, afraid that the presently operating form of *dwi-fungsi*, which justifies the army's dominance in politics,⁵⁰ may not be fully accepted by the *generasi muda*, in 1972 organized a seminar which was meant to amalgamate the attitudes of the two generations of officers.⁵¹ And in 1978 it persuaded the People's Consultative Congress to reaffirm the continuation of *dwi-fungsi* within what is presently called Pancasila Democracy.⁵²

Yet, it is by no means clear what the actual political attitudes of the *generasi muda* are. Early speculations⁵³ on their attitudes and possible political conduct have pointed out that their experiences are so totally different from those of their seniors that their politics are also likely to be different. Not having participated in the wars of independence they cannot claim the "historical right" to participate in determining the destiny of the nation, as their seniors had. Also, they were only juveniles when the collapse of parliamentary democracy in Indonesia convinced the older officers that Western-style democracy is unworkable in Indonesian society. Furthermore, unlike their seniors who emerged as guerrilla leaders during the war without much formal training, they have, from the beginning, undergone professional training and this quite conceivably will have an effect on their attitudes.

The main problem was seen to be that the elitism and implanted professionalism of the younger generation of officers may lead to a profound alienation between the military and society. Professionalism, as Huntington has argued, should lead to the military's abstention from politics; on the other hand, the development of civil-military relations in Third World countries has demonstrated that what military professionals may call the "unprofessional bungling of civilian politicians" may increase the military's contempt for the performance of civilian elites and harden their resolve to take over the running of the country. But it was also concluded then that the Indonesian military in the 1980s will have to drastically reduce its manpower commitment to the civilian sector; moreover, it was argued that there were signs pointing towards

⁵⁰ To determine the role the army would assume in the New Order, a "Struggle Doctrine" was developed at an army seminar in 1966. See *Doktrin Perjuangan TNI-AD "Tri Ubaya Cakti,"* no. pl., no date, particularly p. 18.

⁵¹ See Nugroho Notokusanto, *The Transfer of Values in the Indonesian Armed Forces* (Jakarta: Department of Defence and Security, 1974). For the doctrine developed at this seminar, see *Dharma Pusaka 45*, Jakarta, 1972.

⁵² See P-4, p. 27.

⁵³ See U. Sundhaussen, *The Military in Indonesia*, monograph, Center for International Studies, Massachusetts Institute of Technology, 1974, pp. 60ff. This study was reprinted with only minor changes in Jackson and Pye, *Political Power*.

the possibility of a loosening of military control over government and society, or even a "retreat to the barracks," provided civilian politicians can form a leadership group "willing and capable to assume governmental responsibility."⁵⁴

This possibility of at least a scaling down of military involvement in politics was confirmed in interviews with officers of the *generasi muda* up to 1977, along with a strong sense of commitment to eradicating corruption by providing adequate salaries and a long-term education program. However, the idealism evident in the *generasi muda* until then seems to be waning. While many younger officers still stand by their values, others are vying for assignments which can be exploited for personal gain. This trend has sufficiently alarmed even critics within the regime and promoted General Widodo to warn of the dangers of "Kuomintangization," which brought down Chiang Kai-shek and Lon Nol. He particularly condemned the "extremely extravagant life-styles among upper middle class and high class circles," and expressed his fears that "corruption, manipulations etc. are becoming culturally established and so putrify the government from within."⁵⁵

Deplorable as this growing orientation among younger officers (and society at large) towards institutionalized corruption may be, it also serves to enhance support for the regime, which provides the opportunity to enrich oneself. Furthermore, the regime can rely on the now well-established inclination of the more professional younger officers not to move forcefully against Soeharto or the regime as such even if a majority of them disapprove of government corruption, growing inequality, moral decline, or political oppression.

In the battle with FOSKO-LKB for the hearts and minds of the *generasi muda*, the government has two more strings to its bow. One is the defamation of the dissidents. In meetings and indoctrination sessions officers are told that the dissenters are "ambitious," a contemptible attitude particularly in the context of Javanese social behavior patterns, and that they are "has-beens" who should have the social grace to retire from office and power quietly and in dignity. Moreover, the regime can point out that the charges of hypocrisy and corruption levelled against the government leaders can be as easily returned: while men like Nasution, Dharsono, Mckoginta, and Ishak Djuarsa (among others) are "clean," a good number of dissenters have accumulated fortunes by means no one cares to talk about.

The other means to keep the military on active duty on the side is to project that the government is doing a good job, that there are no fundamental crises which need to be solved, and that there is nothing wrong with *dwi-fungsi* in its present form. A pocket guide supplied to all soldiers proclaims:

⁵⁴ *Ibid.*, p. 64.

⁵⁵ *Sinar Harapan*, February 7, 1977. The decline of value standards is also lamented in a position paper of the Bandung chapter of FOSKO, *Sumbangan Pikiran dalam Rangka Usaha Mencapai Konsolidasi*, Bandung, April 1978.

The Armed Forces as a social force occupies a position which is parallel to those of the political parties and Golkar; none (of these forces) is inferior to any other, and none feels more elevated than any other. The Armed Forces always listen carefully to the political parties and Golkar as comrades-in-arms, and they always support each other in making development a success, creating national stability which is both steady and dynamic, and increasing national security.⁵⁸

Whether the facts of political life in present-day Indonesia bear witness to these pronouncements is immaterial. More important is that they are accepted by those to whom they were addressed. And this, by and large, seems to be the case.

Thus it may be argued that the regime has succeeded in securing the steady if unspectacular support from important sections of the community. While punishing dissenting groups whose criticism of the regime oversteps certain limits, it rewards those, military as well as civilian, who have entered into a symbiotic relationship with the New Order.

Conclusions

Was, then, the FOSKO-LKB-Jasin initiative of May 1980 a failure? If one expected it to result in the immediate or near-future collapse of the New Order or the overthrow of Soeharto as president, then the answer clearly has to be affirmative. For the time being Soeharto appears to be firmly in the saddle although, admittedly, a few saddle straps needed tightening.

But if one takes a longer-term view, the conclusion may be very different. Soeharto has won—and stayed in—office because of a particular set of circumstances. First of all, he had the will to assume governmental responsibility when the opportunity arose. Second, he assumed command over the army in the leadership vacuum of early October 1965 and through his clever and decisive leadership in the following 18 months earned the allegiance or at least respect of his fellow officers, which gave him control over the army and, in time, over the armed forces and the government apparatus. Third, he came to be seen as standing for certain policies like the rehabilitation of the economy (despite the fact that it had been Nasution, not Soeharto or anyone else in the military, who had consistently opposed Sukarno's disastrous economic policies), which appealed to both particular important groups in society as well as the masses. And finally, he is protected by the inertia that characterizes the problem of succession in Indonesia. As long as Javanese traditional public mores continue to dominate the political culture of Indonesia, political ambitiousness will be frowned upon: the

⁵⁸ See *ABRI sebagai Kekuatan Sosial dan Pokok-Pokok Kebijakan dalam Rangka Memelihara Kemanunggalan ABRI dengan Rakyat* (Jakarta: Ministry of Defence and Security, 1979), p. 34.

reigning king (or president) should not be directly challenged. In practical terms this has meant that no potential challenger or even endorsed successor has become visible. Even if one inquires among the more radical dissident circles who should succeed Soeharto, one will get almost as many different answers as people questioned.

Some of these conditions will prevail at least until 1982-1983 when the next general and presidential elections are due and the last of the 1945 generation of officers will have retired; some will prevail longer, but all are likely to come under challenge at some point in the future. To start with, it is by no means certain how long Soeharto will retain the will to rule and whether he will seek another term of office in 1983. He will then have been in office for 16 years, a good record of endurance even by Third World standards. A long-standing associate of his, General Daryatmo, remarked in 1980 that "he is tired" and that his term of office has been "too long actually."⁵⁷ He is reported to be genuinely hurt by the mounting wave of criticism from his former comrades. On the other hand, he is said to be afraid that he may, like Sukarno before him, stand condemned for the failures of his reign and may want, as he did in 1978, to seek another term of office "to clear his slate."

Nor is it certain that he will retain to the same extent as at present the means to control the military and thus the government. He will increasingly depend on younger officers whom he does not know and who in 1965 were too remote from the political center stage to appreciate Soeharto's stand against Sukarno as fully as his generational peers; their loyalty, therefore, may not be as complete as that of the officers still surrounding him. Nor can he be sure of the impact the pronouncements of veterans like Nasution and Dharsono will have on the *generasi muda* in the long run. At the moment, he can order the cadets in the Military Academy to take down the pictures of the founder of the academy, General Nasution, but he cannot prevent them from noticing the pettiness of such an order, nor is it possible to study the military and political history of the Republic without reference to Nasution and the myriad of books he has written. The battle for the hearts and minds of the *generasi muda* is by no means concluded; in fact, it would be more accurate to say that it has barely started.

An equally unknown factor in present military politics in Indonesia is General Jusuf, the "clean" Minister of Defence and Armed Forces Commander. Hailing from South Sulawesi, he is widely considered ineligible for the presidency, which is still seen to be the preserve of the ethnic Javanese. But while he may not be eligible to become "king," he may emerge as the king-maker. Having been a junior cabinet minister since the emergence of the New Order, he does not yet have a firm power base in the military, but his appeal in military circles is growing because of his relentless efforts to improve the poor living con-

⁵⁷ See *Far Eastern Economic Review*, February 29, 1980.

ditions of the ordinary soldier and his abstention from corrupt practices. It is conceivable, but by no means certain, that he may adopt at least some of the policy recommendations of Nasution and FOSKO. For instance, a decision to prevent the military from actively campaigning on behalf of GOLKAR in the 1982 election campaign or to insist on a less corrupt and more constitutional form of government could change the power configuration of the New Order considerably.

There is also the possibility of a different kind of challenge arising from within GOLKAR. Although GOLKAR is presently largely controlled by retired officers loyal to Soeharto, their grip on this organization may slip in the same way Soeharto's grip on the military is likely to weaken with the rise of the *generasi muda* to positions of greater importance. The FOSKO generals are demanding that GOLKAR be more "civilianized" in order to become a political force reflecting more closely the political aspirations of its constituency. A number of officers outside FOSKO are sympathetic to this view, particularly in the West Java Siliwangi Division. The political attitudes of the Siliwangi officer corps traditionally have had marked spill-over effects on civilian political forces in West Java. The civilian leadership group in the West Java branch of GOLKAR is particularly receptive to the idea of civilianizing their organization. Many of these politicians served as General Dharsono's civilian shock troops against Sukarno in 1966-1967 and strongly supported his attempt in 1968-1969 to introduce a two-party system, then seen as the best method of setting up a stable democratic system in Indonesia.

The call to civilianize GOLKAR is based on the realization that a demilitarization of the government, the state apparatus, and the political system as a whole can only be achieved if there emerges a civilian leadership which will assert its will to assume power (a will lost among civilian groups with the collapse of the parliamentary system in 1957), can claim enough popular backing to be able to guarantee political stability, and promises policies which will not too starkly contravene the aspirations and values of the military officers whose consent to retreat to a position of diminished political involvement has to be obtained. Neither the Islamic PPP, nor the non- (or rather anti-) Islamic PDI, still locked in their traditional, divisive ideological contest, can aspire to fulfill these conditions, but a civilianized GOLKAR, aided by the new, though still embryonic middle class as a major pillar of its popular support, may be able to lead Indonesia towards a more open political system. Such a system should not for a long time to come be expected to reflect closely Western pluralist societies but may be seen as a somewhat accelerated version of the present government's vision of a system of "dynamic stability" towards a political order more in accordance with the basic stipulations in the Pancasila for some kind of democracy and socioeconomic equality.

Pressure on the Soeharto government will also increase for economic reasons. If his economic policies succeed, the new middle class will be further strengthened, resulting in more demands for political participation. If his policies stagnate or even fail he may find himself without sufficient means to buy support and satisfy the material aspirations of important groups (including the military) in society. Moreover, the Soeharto government, which had come to power to a large extent on the basis of his promises for economic development, would be seen as having lost its *raison d'être* and therefore its right to continue in office.

It is in this long-term context that the Nasution-FOSKO-Jasin initiatives should be seen. They are a departure from the anti-regime criticism of the past in which particular policies were attacked but no over-all constructive alternatives offered. Nasution's call for a return to the spirit of the Pancasila and the letter of the 1945 Constitution, and FOSKO's proposals for a carefully reviewed and shrinking role for the military in society are constructive political norms and policies which may, if pursued by their initiators and taken up by civilian groupings and the *generasi muda*, provide the guidelines for significant changes in Indonesia's political system.

PANCASILA: THE INDONESIAN STATE IDEOLOGY ACCORDING TO THE NEW ORDER GOVERNMENT

Michael Morfit

OVER THE PAST two years, Indonesia has witnessed the implementation of an extraordinary government policy that is all the more unusual because it has aroused little attention on the part of political analysts. In accordance with a 1978 decision of the People's Consultative Assembly (nominally the highest political body under the present Indonesian constitution), a series of workshops or upgrading courses have been organized throughout the archipelago. Under this program all civil servants below the rank of cabinet minister are required to attend two-week upgrading courses whose sole preoccupation is Pancasila, the Indonesian state ideology. More recently other groups of citizens have found it advisable or prudent to organize their own Pancasila courses, and the government has made it known that it intends to extend the courses to "diverse functional and political groups of the society."¹

What is remarkable about these courses is first and foremost the sheer cost involved. Called P4 courses (a contraction of the full Indonesian name, which can be translated as Upgrading Course on the Directives for the Realization and Implementation of Pancasila), these two-week seminars have been noticeably disruptive to the normal flow of government business. The courses first involved the most senior of civil servants. At one point in the past year it seemed as if virtually all government business in Jakarta came to a standstill. Because of P4, key figures were often absent from their offices and unable to make required decisions. Where more than one ministry or department was involved,

¹ Abdulgani H. Roeslan, "Some Thoughts About Pancasila: Its Basic Theory and Practice," *Indonesia Times* (December 12, 1980), p. 3.

delays were compounded. In terms of simply carrying out normal duties, then, P4 has been a costly policy to implement. In addition, there are the direct costs involved in providing teachers, seminar rooms, materials, and amenities such as accommodations or meals for up to two million civil servants and their instructors during the time that they are required to attend the course.

If the costs were not enough to convince one of the seriousness with which the government views P4, the manner of conducting the courses offers further evidence that this is not viewed as a trivial endeavor. Attendance at all sessions is absolutely compulsory. If a civil servant misses one day of the upgrading course, he is required to repeat the entire course from the beginning. No excuses, not even illness or a death in the family, are acceptable dispensations from the requirement of attendance at every session. Classes generally begin at 8 A.M. and continue through the day until 6 P.M., and participants are penalized for tardiness. They are given assignments to complete in the evening and are graded on their performance. A final test is also given, and marks are awarded for overall performance. These marks are recorded in a civil servant's personal dossier and are felt to be important in the consideration for promotion.

In a nation where civil servants are not noted for their diligence or eagerness to work beyond normal office hours, such stringent enforcement of a course of study must stand out as unique in the history of Indonesia. Surely it is difficult to cite another instance of a government program that has been implemented with such uncompromising efficiency and determination. Apparently no exceptions to the P4 policies are tolerated, and even students going abroad for study are often required to complete P4 courses before being given exit visas.

All the evidence suggests that the New Order government sees P4 as providing an important ideological justification for its policies, and that it wishes the claims and prescriptions of P4 to be examined with some care. Certainly the costs involved, both direct and indirect, as well as the manner of implementation of the P4 courses indicates that this is a program strongly supported by the government at the highest levels. An examination of those responsible for drafting the P4 materials and implementing the program confirms this view. They include such senior political figures as the Coordinating Minister for Economics, Finance and Industrial Affairs, Widjojo; Coordinating Minister for State Security, Panggabean; and State Minister for Administrative Reform, Sumarlin. The key figure in articulating the P4 doctrine is Dr. H. Roeslan Abdulgani, formerly Minister of Information and Foreign Affairs under Sukarno, and one time Ambassador to the United Nations under the New Order. Interestingly, it was Roeslan Abdulgani who played a key role in the only experiment similar to P4 that Indonesia has witnessed, Manipol-USDEK.

The purpose of this article is to attempt to examine P4 and its implications for Indonesia's development strategy, the government's po-

litical thinking about its present situation, and its future plans. The article begins with an examination of Pancasila as a political ideology—or with the version of Pancasila that has the official approval of the present régime and is given in the P4 upgrading course. This is briefly contrasted with the understanding of Pancasila propagated under the Guided Democracy of Sukarno. Next, the implications of this ideology for the development strategy of the government are examined. Finally, consideration is given to P4 as part of the government's political strategy, especially with regard to the forthcoming general election in 1982.

The Five Principles

"Pancasila" consists of five principles, succinctly stated in Indonesian but often rather ambiguous when subjected to close analysis and certainly less suggestive when translated into English. The first principle (or *sila*) is a belief in one supreme being (*Sila Ketuhanan yang Maha Esa*). Thus the Indonesian state is not secular in the Western sense. However, the belief in a supreme being is left as a general statement, broad enough to encompass a wide variety of religions including Islam, Christianity, Hinduism, and Buddhism—those "great" religions officially recognized by the state and dealt with by the Department of Religion. This *Sila* is the source of considerable controversy. More orthodox Muslims have frequently favored an explicit commitment to Islam as the state religion and have felt some dissatisfaction at the general phrasing of this *Sila*. They have also resisted what they see as an attempt on the part of the government to equate mere belief or faith (*kepercayaan*) with a true religion (*agama*). This objection is aimed at many of the traditional and pre-Islamic beliefs of the Javanese, which are seen as corruptions or denials of the true faith of Islam. This includes both the animistic beliefs of the rural population as well as the more sophisticated version (*kebatinan*) of the aristocratic *priyayi* class.

The second principle is variously described as a commitment either to internationalism or more literally to a just and civilized humanitarianism (*Sila Kemanusiaan yang Adil dan Beradab*). The two interpretations are not as divergent as they might seem at first. A commitment to just and civilized humanitarianism entails a willingness to treat with others, even foreigners, in a fair manner, free from suspicion, exploitation, and oppression. When viewed from the perspective of state relations, this becomes a commitment to internationalism in the sense that it rejects adherence to one of two (or more) opposing political blocs or support for an international order which is exploitative and divisive.

The third *Sila* expresses a commitment to the unity of Indonesia (*Sila Persatuan Indonesia*). In a vast archipelago stretching 5,000 kilometers across the sea, with 13,000 islands and about 350 distinct ethnic groups, an emphasis on the unity of the state is understandable. The attempts of the Dutch to create semi-autonomous states during the 1947–

1950 period, and subsequent intermittent regional rebellions since that time, underline the extent to which this Sila, too, has been a point of some controversy in the past.

The fourth Sila emphasizes the idea of a people led or governed by wise policies arrived at through a process of consultation and consensus (*Sila Kerakyatan yang Dipimpin oleh Hikmat Kebijaksanaan dalam Permusyawaratan/Perwakilan*). It would be a great mistake simply to translate this as a commitment to Western liberal democracy, especially since the rejection of Western liberalism (or at least some parts of it) has been a continuing theme of Indonesian political discourse since before the birth of the nation.² The word *musyawarah* is one connoting discussion and deliberation amongst members of a society, but it does not suggest such ideas as majority rule and minority rights.³

The fifth Sila expresses a commitment to social justice for all the Indonesian people (*Sila Keadilan Sosial bagi Seluruh Rakyat Indonesia*). This is generally regarded as a relatively unexceptional principle, although it can be asked to what extent the implicit commitment to equity has an important place in the understanding of Pancasila.

Pancasila as a Political Ideology

There are several interesting features of Pancasila as an ideology, particularly as it is presented within the P4 courses. In this section, the character of Pancasila as an ideology will be discussed, with a view in later sections to showing how certain government policies are legitimized by the interpretation of Pancasila given in P4. In later sections, as well, it will be suggested that some of the inherent contradictions in Pancasila as an ideology are also reflected in contradictions in the government's development policies.

One important characteristic of Pancasila is its orientation toward time and its assessment of the significance of the past. The material produced by the government in connection with P4 stresses the extent to which Pancasila is to be seen as an articulation of the historical experience of the Indonesian people.⁴ According to this interpretation, Pancasila becomes the formulation of a traditional philosophy of life rather than the imposition of an alien doctrine. In this sense, P4 claims to draw out what is already immanent within Indonesian society rather than indoctrinating the people, and the charge that P4 constitutes state indoctrination is rejected.⁵ Nonetheless, P4 provides a formulation

² Herbert Feith and Lance Castles, *Indonesian Political Thinking: 1945-1965* (Ithaca: Cornell University Press, 1970), pp. 19ff.

³ Herbert Feith, *The Decline of Constitutional Democracy in Indonesia* (Ithaca: Cornell University Press, 1962), pp. 35, 41-43.

⁴ Team Pembinaan Penatar dan Bahan-bahan Penataran Pegawai Republik Indonesia, *Bahan Penataran Pedoman Penghayatan dan Pengamalan Pancasila, Buku I* (Jakarta, no date), pp. 2-5 (hereafter cited as *Bahan Penataran*).

⁵ *Bahan Penataran, Buku I*, ii.

(*rumusan*) in the sense of an authoritative account of Pancasila and not a mere interpretation (*tafsir*) of it.⁶

However, Pancasila is not merely a crystallization of past experience and an expression of present perceptions. It is also an aspiration for the future. Part of the justification for P4 lies in the claim that a correct understanding of Pancasila is required for the future development of the nation. It provides the criteria by which the value of policies are to be judged by providing a traditional vision of the good society that is to be achieved.⁷

By embracing the past, present, and future, Pancasila becomes the basis for all legitimate political activity. Indeed, P4 is at pains to point out that the 1945 Constitution, providing the framework for the present political system, is in harmony with Pancasila and can be understood as an expression of the five principles.⁸ Similarly, the established Broad Outlines of State Policy (*Garis-garis Besar Haluan Negara*) are defended in terms of the extent to which they further the goals enshrined in the state ideology.⁹ By achieving a status of articulating both the historical essence and the future aspirations of the Indonesian nation, and also of determining the framework for all acceptable political action, P4 emerges as an important basis for the government's development strategy.

Despite the overarching character of Pancasila, spanning past, present, and future, another striking characteristic of the ideology (at least as expressed in P4) is its lack of specificity. Each of the five principles is on the surface a statement long on rhetoric and sentiment but short on specific prescriptions. Yet prescriptions are precisely the business of political ideologies. They are invoked not simply to express vague hopes, but also to map out policies and chart the directions in which a society should move. Ideologies also serve to locate its adherents in time, giving them a sense of how they should relate to a world of dynamic social forces and change.

In Pancasila, however, fundamental social change and historical development are singularly absent, and P4 presents an extraordinarily static ideology. Ironically, despite its invocation of the past and hopes for the future, P4 seems to rob Pancasila of all sense of historical dynamism. For example, there is no account of the past as the triumph of reason over superstition, as in the Enlightenment and in the political thinking of men such as Montesquieu at that time. There is no rejection of the past as a record of oppression and exploitation, as in Marx. Instead, the past is invoked only in the most general form and never with a sense of change or development.

Similarly, the vision of the future propounded by P4 is also imprecise and vague, with little by way of prescription. The good society en-

⁶ Pasal I, Ketetapan MPR Nomor II/MPR/1978.

⁷ *Bahan Penataran*, Buku I, pp. iii-v.

⁸ *Bahan Penataran*, Buku II, pp. 53ff.

⁹ *Bahan Penataran*, Buku III.

visioned by P4 can as easily accommodate hierarchy as equality, and private ownership of the means of production as collective ownership. Abrupt revolutionary upheaval, incremental change, or no change at all are all consistent with the five principles.

Pancasila and Sukarno's Guided Democracy

To gain a clearer appreciation of the character of the state ideology as it is now propagated by the New Order government, it is instructive to contrast P4 with Sukarno's attempt to instill a similar ideological commitment in the Indonesian nation during the Guided Democracy period. In his Independence Day speech of 1959, Sukarno articulated five principles later designated as the Political Manifesto of the Indonesian nation. Together with the five principles of Pancasila, these constituted the ideological basis of the regime.

The five principles of the Manifesto Politik included a return to the 1945 Constitution as the most appropriate constitution for Indonesia; socialism à la Indonesia; guided democracy; guided economy; and Indonesian national identity. These principles were held to be in harmony with Pancasila, and indeed their implementation was asserted to be the means of achieving the just and humane society envisioned by Pancasila. Guided democracy was particularly defended as necessary to the realization of the aspirations of Pancasila.¹⁰

As with P4, there were strenuous efforts to ensure that the ideology was studied and examined by the civil service. "Retooling" of the government apparatus was the phrase used to refer to the instillation of ideologically correct views and behavior. However, the Manipol-USDEK courses stretched beyond the civil service to embrace primary and secondary school students as well as university students. The press was a particular object of attention, with cultural activities being seen as instruments for furthering the realization of the ideological aspirations of the regime.¹¹

In common with P4, there is in Sukarno's formulation the same emphasis on the moral aspects of the ideology. It is not enough merely to understand the precepts of Pancasila and Manipol-USDEK. These must become a fundamental part of the soul and spirit of the Indonesian people. "Inner changes . . . will automatically bring about changes and improvements as regards physical and material affairs."¹²

In contrast with P4, however, there is in Sukarno's discussions of Manipol-USDEK a strong sense of the dynamism of history and social change. While making references to Indonesian traditions, and claim-

¹⁰ Roeslan H. Abdulgani, "Pantja Sila Sebagai Landasan Demokrasi Terpimpin" in *Prasaran-prasaran Pada Seminar Pantjasila Ke I* (Yogyakarta: Panitia Seminar Pantjasila, 1959), esp. pp. 148ff., 159.

¹¹ Herbert Feith, "The Dynamics of Guided Democracy," in McVey, ed., *Indonesia* (New Haven: Yale University with HRAF Press, 1963), pp. 368-372ff.

¹² Sukarno, "Returning to the Rails of the Revolution," in Feith and Castles, *Indonesian Political Thinking*, p. 101.

ing to be in harmony with the ancient (almost primordial) Indonesian national spirit, Sukarno also stressed the concept of revolution.¹³ In his 1959 and 1960 Independence Day speeches, Sukarno urged the Indonesian nation to abandon the past, meaning specifically the period of 1949–1959.¹⁴ Throughout his speeches of this period there was an emphasis on what Sukarno refers to as the “Romanticism of Revolution” and the need for fundamental change, which he saw in terms of a continuing struggle against the forces of colonialism and imperialism.¹⁵ There were frequent references to the historical experiences of other nations such as France, China, and the United States, which gave an air of cosmopolitanism and international significance to the Indonesian national revolution.¹⁶

Despite these significant differences, which gave Manipol-USDEK and Sukarno's interpretation of Pancasila a sense of movement and historical destiny that is entirely absent from P4, both Sukarno and the New Order government used Pancasila to attack or contain rival political ideologies. As Feith remarks with regard to Manipol-USDEK, it was “not an attempt to synthesize all the main patterns of political orientation in Indonesia, for it contains virtually no element of the political outlook characteristic of Islam. It is doubtful whether any state ideology could bridge the gap between the Javanese-aristocratic pole of political orientations and the Islamic-entrepreneurial pole, but certainly Manipol-USDEK does not.”¹⁷

There may be some question about Feith's linking the Islamic political movement with an entrepreneurial orientation, but there is no doubt that the efforts to establish Indonesia as an Islamic state were a specific target of attack for Sukarno. Since the first articulation of the five principles, there has been a fundamental tension between Pancasila and Islam.¹⁸ The doctrine was specifically put forward by Sukarno in 1945 in opposition to the demand that the independent Indonesian Republic be an Islamic State, and he continued to use it in the same way during the period of Guided Democracy. As will be discussed below, the New Order government has maintained this traditional use of Pancasila in P4 and in the period leading up to the 1982 elections. In particular, the first Sila has been employed both to exclude an Islamic state and to include traditional Javanese mystical beliefs. By doing so, Pancasila has been aligned with the *abangan* or syncretic Javanese tradition in opposition to the *santri* or more orthodox Islamic one.

¹³ Sukarno, *Tjamkan Pantja Sila!* (Jakarta: Panitia Nasional Pengingatan Lahirnya Pantja Sila, 1964), pp. 78ff.

¹⁴ Sukarno, as quoted in Feith and Castles, *Indonesian Political Thinking*, pp. 101, 105, 106ff., 111, 113ff.

¹⁵ Feith and Castles, *Indonesian Political Thinking*, pp. 101–109, 111–116.

¹⁶ Cf. Sukarno, *Tjamkan Pantja Sila!*

¹⁷ Feith, “The Dynamics of Guided Democracy,” p. 368.

¹⁸ Daniel Lev, *The Transition to Guided Democracy: Indonesian Politics, 1957–59* (Ithaca: Modern Indonesia Project, 1966), pp. 31, 128, 231.

P4 and Development Strategies of the New Order Government

An explicit and major rationale for P4 is the need to explain the third Five-Year Plan (Repelita III), which officially began in 1978 and is to run to 1983. The decision of the People's Consultative Assembly (MPR), which established the legal authority for P4, stressed the need for all civil servants to undergo P4 so that they can better understand the various programs with which they are involved and so that they will become motivated to implement and administer those programs with greater commitment and enthusiasm. Thus the first two volumes of the P4 material produced by the government discuss first Pancasila and second the 1945 Constitution, while the third volume (the longest) turns its attention to an examination of the Broad Outlines of State Policy. In this final volume, P4 attempts to clarify the government's objectives and policies and to show how they can be understood (and legitimized) within the context of Pancasila. It is precisely at this level that the intellectual dissatisfactions with the static and vague character of Pancasila as an ideology also suggest difficulties for the development strategy of the New Order government.

A key word in Repelita III is "pemerataan," which literally means making flat or equalizing. It is used to highlight a professed concern with equity and with ensuring that the benefits of development do not simply accrue to privileged groups. The P4 materials, especially in the third volume, are designed to provide the ideological justification for this goal and an explanation of the government's strategy to achieve it. However, what emerges is little of either. There is discussion of the "trilogy of development" (*trilogi pembangunan*), which includes spreading the benefits of development, increasing economic growth, and securing national stability.¹⁹ Similarly, there is considerable discussion of the "eight paths of equalization" (*delapan jalur pemerataan*), but this consists of little more than the presentation of a list of possible areas with which any government program might concern itself. These include basic needs (food, clothing, housing); educational opportunities and health services; income and employment; entrepreneurial opportunities for women and youth; justice; and geographic distribution. Nothing is said that either suggests specific policies or indicates strategies for realizing these general aspirations.²⁰ Not only is one tempted to see in such formulations an echo of Indonesia's eclectic past (the eight paths of truth in Buddhism for example), but there is also the traditional emphasis on formulae that both encapsulate knowledge and are the key to changes—especially moral changes in the social order.²¹ Such

¹⁹ *Bahan Penataran*, Buku III, pp. 21–22.

²⁰ *Bahan Penataran*, Buku III, pp. 31ff.

²¹ Benedict R. O'G. Anderson, "The Idea of Power in Javanese Culture" in Claire Holt, ed., *Culture and Politics in Indonesia* (Ithaca: Cornell University Press, 1972), pp. 43ff.

formulations, however, evoke a picture of the good society rather than articulating strategies for its achievement.

The closest one gets to an articulation of a more prescriptive and specific ideological position with regard to economics is the statement that the correct path is one lying somewhere between capitalism and socialism. Such a path is one that stresses the interests of the whole society over those of any individual, but at the same time avoids a state domination of the economy. In this regard three sectors of the economy must work together, namely the state sector, the private sector, and the cooperative section.²² However, this economic doctrine does not contemplate fundamental social change. There is no discussion of ways in which the economy and various social relationships might have to be restructured in order to achieve better equity in the development process. The discussion of the government's economic policies remains at the same level of generality as the discussion of Pancasila, and the same emphasis on order, unity, continuity, and stability as key features remains.

The only additional factor that appears in this part of P4 is reference to the role of the Indonesian military (ABRI) in national development ("*ABRI sebagai modal dasar pembangunan nasional*").²³ Security as a guiding principle, encompassing ideological security, political stability, economic justice, and social and cultural harmony, is a primary responsibility of ABRI and a basic precondition for development.²⁴

An examination of P4, then, leads one to conclude that the New Order government is committed to a concept of national development that envisions no fundamental change in the social order and that this preservation of the existing order is to be guaranteed by the military. Nothing in the political style of the New Order government or the policies it has pursued suggest anything to the contrary. In short, P4 makes explicit the New Order government's commitment to the "trickle down" strategy of development, "*permerataan*" notwithstanding. Just as the vision of the future projected by Pancasila is an echo of the past, so also the New Order does not contemplate policies that will result in a future social order markedly different from the present, although it hopes that this society will be more prosperous.

In this sense, it might be said that Pancasila, according to the New Order government, is an ideology of containment rather than one of mobilization. That is, it is conceived in such broad and general terms that it can embrace the wide cultural and religious diversities of the Indonesian nation. While it provides an encompassing umbrella of unity, it is not designed to excite mass participation in the development process or galvanize the nation into action. The Pancasila of P4 thus

²² *Bahan Penataran*, Buku III, pp. 33ff.

²³ *Bahan Penataran*, Buku III, p. 76.

²⁴ *Bahan Penataran*, Buku III, pp. 14ff.

stands in dramatic contrast to the radical communism of Mao during the Great Leap Forward or the Great Proletarian Cultural Revolution. What Pancasila offers as a political ideology is unity rather than direction.

The capacity to embrace seemingly opposed social currents and political aspirations is seen as a testimony to the strength and validity of the ruler, argues Anderson in his classic essay on power in Javanese culture.²⁵ In this sense, what is seen in Western eyes as the vagueness and imprecision of Pancasila may be interpreted by the Javanese, at least, as proof of its wisdom. Similarly, Anderson claims that unity is perceived both as a primary political goal and the criterion of a powerful (and hence successful) state.²⁶ Therefore, in order to blur social cleavages, instead of sharpening them, the Pancasila of P4 emphasizes the unity and cohesion of society. Again, in this respect it stands in sharp contrast to communism, which makes class conflict the cornerstone of its political prescriptions.

There is a fundamental sense in which this strategy that focuses on economic change without social change must fail over the long term. Profound social changes must inevitably come about as economic changes occur. The increase in manufacturing, the rise in the number of children in schools, the continued pressure on land in Java are all examples of the forces that must alter the basic character of Indonesian society one way or another. The attempt to encourage economic productivity on the one hand and to restrain social change on the other cannot succeed. The question is only one of how and when such a policy will fail and what the likely consequences are.

P4 and Contemporary Indonesian Politics

President Suharto, who is considered to be the initiating force behind the P4 program, has publicly never given more than a conventional explanation of the purpose of the training courses. Echoing P4 materials, he has stated that the intention is to "understand again, penetrate, realize and implement our ideas concerning the society to which we aspire."²⁷ Furthermore, there has been no official pronouncement of why the government felt the launching of the Third Five-Year Plan (Repelita III) was an appropriate occasion for such ideological indoctrination, while the previous two Plans were not.

Despite the lack of a clear and authoritative explanation for the timing of P4, Suharto has lost no opportunity to emphasize the close alliance between the New Order regime and the army (ABRI) under the banner of Pancasila. Permissible political activity is that which is consistent with the state ideology. Political movements that are con-

²⁵ Anderson, "Idea of Power," pp. 13ff.

²⁶ *Ibid.*, pp. 23ff.

²⁷ Quoted in *Tempo*, VIII: 39 (November 25, 1978), p. 6.

trary to Pancasila are viewed as a fundamental threat to the stability and development of the Indonesian state. In his March 27, 1980, address to an ABRI gathering in the central Sumatran city of Pekanbaru, Suharto stated that ABRI cannot stand idle in the face of any threat to Pancasila, now or in the future. ABRI must "choose a partner and friend who fully supports Pancasila" in order to maintain the supremacy of the state ideology.²⁸

This speech was widely interpreted to mean that in the forthcoming general election, ABRI can be expected to continue its strong support for Golkar, the government party that presently dominates the national parliament (DPR). This statement came as a disappointment to many, including some within Golkar, who had hoped that in this election, in contrast to the two previous elections under the New Order, ABRI would remain somewhat aloof from election politics and allow a relatively free rein to the political process. In part, hopes for this neutrality rested upon the recognition that the president is constitutionally authorized to appoint 100 members of the DPR, and about 60% of the People's Consultative Assembly (MPR), which formally selects the president. Therefore the chance of Golkar finding itself in the minority in either house was almost nonexistent. However, while some expressed the view that "it is time for Golkar to grow up" and fight the election without ABRI assistance, Suharto appears to have decided otherwise.

The ABRI's continued support for Golkar is not surprising, given the close identification of the military with Pancasila and the opposition parties that Golkar faces in the national elections. The PPP (Partai Persatuan Pembangunan or United Development Party) is particularly important in this regard and was seen as a specific target of attack in the Pekanbaru speech. United more by government decree than by common sentiment, the PPP is an amalgam of Islamic political groups required to join together under the government-directed program of simplifying the political system. (The other opposition party is the PDI, Partai Demokrasi Indonesia or Indonesian Democracy Party.) In reaffirming an alliance between ABRI and Golkar under the banner of Pancasila, therefore, Suharto was giving advance warning that the government intends to keep the activities of Islamic political groups under close control. To this extent Suharto's use of Pancasila follows in the footsteps of Sukarno.

On the face of it, the government would seem to have little to fear from the two opposition parties. They are firmly in the minority within the present parliament and are ridden by internal divisions and factions. While the national press is somewhat free to offer criticism and political comment, there is no doubt about the government's ability and willingness to control the flow of information when it decides to. With political activity at a village level banned, neither of the opposition parties has any formal popular organization. Although the in-

²⁸ Quoted in *Asia Week*, 6:18 (May 9, 1980).

formal network of local religious leaders (*kiyayi*) probably works to the advantage of the PPP, it is difficult to know the extent to which the *kiyayi* can effectively mobilize political support at the village level. In any case, few suggest that the New Order should be swept away, and in their adherence to the basic structure of the New Order most of the government's critics form a kind of loyal opposition.

However, the possibility of a resurgence of Islam in the political arena clearly remains a concern of the present regime. Some suggest that events in Iran and the movement toward Islamic legal systems and economic arrangements in the Middle East are a source of continuing concern to the government. However, the parallel between Iran and Indonesia is probably more rhetorical than useful in understanding how the government sees its position. Of more fundamental importance is the continuing importance of Islam at the village level. Despite ABRI support for Golkar, the groups comprising PPP won 27% of the popular vote in the 1971 election, and as a single party this was increased to 29% in 1977. In addition, there are other indications of support for Islamic organizations apart from political parties. For example, although no reliable data is available, it is estimated that somewhere around 20-25% of Indonesia's school age children currently attend Islamic schools, even though parents incur direct financial costs because Islamic schools receive only marginal assistance from government agencies and must charge tuition fees. In contrast, state schools are supposed to be free.²⁹ Little is known about the character of this system of religious education and the reasons why parents support these institutions, but it is clear that this must indicate a significant attachment to the values of Islamic education in contrast to the government's non-Islamic, almost secular, system. Similarly, Islamic institutions have aroused some popular support in vocally opposing the government's decision not to close schools during the long fasting month of Ramadan (*Puasa*). In past years, Islamic groups have forced the government to abandon its plans to revise the legal code governing marriage, a move seen as "secular" in intention and diminishing to the status of the religious courts.

In this context, P4 has been seen by Islamic groups as an attempt to indoctrinate the people with a new ideology, contrary to the true faith. This is specifically denied by the government in the P4 materials, which argue that Pancasila is compatible with all religions.³⁰ However,

²⁹ "Islamic schools" here is used to include primary and secondary institutions such as pesantren and various types of madrasah. A comparison of figures from the Department of Religion and those from the Department of Education and Culture indicate a somewhat lower percentage than that cited here. However, sources in the Department of Religion suggest that the figures for Islamic schools are almost certainly higher than indicated in the official statistics. Cf. *Rangkunan Statistik Persekolahan, 1979/80* (Jakarta: Badan Penelitian dan Pengembangan Pendidikan, Departemen Pendidikan dan Kebudayaan, 1981), and *Data Keagamaan di Indonesia Dalam Angka, 1979/80* (Jakarta: Badan Penelitian dan Pengembangan Agama, Departemen Agama, 1981).

³⁰ *Bahan Penataran*, Buku III, pp. 51-52.

this attempt at reassuring Islamic groups somewhat misfires because it is also argued that according to Pancasila only a faith in a Supreme Being is posited as essential. The word "belief" (*kepercayaan*) has a special significance in that it is generally understood in this context to mean traditional Javanese mystical beliefs, which are strongly resisted by orthodox Muslims who see these as either a corruption of the true faith or (in its manifestation as *kebathinan*) as an alternative to Islam. While P4 does not seek to establish either Pancasila as the state religion or traditional mystical beliefs as an officially recognized religion, it does seem clear that such traditional beliefs are compatible with the state ideology and Islam can claim no special place.³¹ Thus the original tension between Pancasila and Islam is sustained in P4, and the use of the state ideology to contain the political appeal of the *santri* tradition is continued.

The president's speech in Pakanbaru, along with P4, are two major indications of the government's interest in the use of Pancasila to establish a firm political basis for the New Order. There is also further evidence for this interest. Shortly after P4 was instituted, the president approached the Indonesian Institute of Sciences (LIPI) to ask for its assistance with the problem of ensuring that Pancasila is understood and accepted at a village level. The request was for a research project aimed at investigating the present values and aspirations of village communities and ways that Pancasila could be more effectively spread among the population. Recent speeches and articles in the national press have stressed the importance of ensuring that the values of the revolutionary generation are passed along to succeeding generations—a familiar issue for post-revolutionary societies and also a concern of P4 itself.

Taken together, such indications suggest that it will be some time before the New Order government is prepared to permit free political activity. The clear and conscious attempt of P4 and other government activities is to provide an accepted framework to contain politics within defined boundaries. Pancasila, as expounded by P4, is the clearest and most self-conscious articulation of this ideological vision and, by implication, of the competing visions that the government is not prepared to tolerate.

Conclusion

It is impossible now to determine to what extent P4 has succeeded in achieving the objectives set by the government. At the end of 1980, Pancasila courses have in general moved from the central government level in Jakarta to provincial level government offices and universities. The process can be expected to continue for about another year, especially if sections of the population outside the civil service either or-

³¹ *Bahan Penataran*, Buku III, pp. 57-58.

ganize Pancasila courses or are required to join P4. Even in the short run, therefore, it is too early to come to firm conclusions about the success or failure of the New Order government's efforts to establish Pancasila as the accepted basis of political order and the justification for development plans.

The above discussion suggests, however, that there are fundamental problems in the formulation of Pancasila by the present regime, and with the way it seeks to propagate its views through P4. While there is little doubt that the regime will prevail through the forthcoming national elections, only time will tell if elements of social change and historical dynamics are infused into its presently static ideology.

What is perhaps most disappointing about P4 is that it reveals the extent to which the New Order regime has failed to project a future that is clearly defined and likely to be realized. Over the past two years there has been discussion of the apparent loss of *elan* within the government and a growing sense that it has somehow lost both its way and its confidence in its own capabilities. This assessment of the government's concern and uncertainty has been confirmed by its handling of a variety of events from the June 1980 Petition of Fifty, to anti-Chinese riots in central Java in November of that year, to the April 1981 hijacking of a Garuda airliner. The decision to pursue a nationwide program of political indoctrination may be viewed in this light as a symptom of growing insecurity on the part of the present regime and of an attempt to rekindle a sense of its own purpose. If so, the above discussion suggests that this is an effort that must ultimately fail. The failure, if it occurs, may be one of imagination because the New Order government has been unable to develop within the doctrine of Pancasila development strategies capable of addressing the inevitability of profound social change or of generating a new, ideological vision for Indonesia.

MILITARY BALANCE AND PEACE IN THE KOREAN PENINSULA

Lee Young Ho*

BECAUSE NO POLITICAL SYSTEM can be regarded as intrinsically peaceful towards other systems, the intentions of the actors in a situation of potential conflict cannot be taken as a reliable basis for peace. It might be more reasonable to think that peace under a condition of mutual distrust is a function of deterrence—i.e., a potential aggressor is restrained from aggression for fear that the victim and/or its allies will retaliate and inflict an unacceptable level of damage on the aggressor. It is assumed that a potential aggressor makes a more or less conscious effort to be rational and engages in a sort of cost-benefit analysis before launching an attack.¹ Deterrence would be extremely difficult to achieve if actors were regarded as highly irrational.

In considering the case of the Korean peninsula as a potential situation of conflict, it is assumed that neither North Korea nor South Korea is intrinsically peaceful or aggressive. Whether one launches an attack against the other will be more extrinsically than intrinsically determined. In such a determination, each country's estimate of the other's war-related capabilities will be critical.

In a situation where nuclear weapons are present and accompanied by a willingness to use them, deterrence may not require a military balance. Even if it is inferior, the defensive side would still have sufficient means of inflicting an unacceptable level of damage to the offensive side. However, in a non-nuclear situation, military balance seems to be a necessary if not sufficient condition for deterrence.²

* An earlier version of this paper was presented at the 11th World Congress of the International Political Science Association, Moscow, August 12-18, 1979.

¹ This does not mean that the parties to a situation of potential conflict are rational but only that they make a conscious effort to be so.

² One analysis of the Korean military situation states: "The strategy for pre-

As will be shown later, there exists a serious imbalance between the two Koreas today. As a matter of fact, this has been the case for the past three decades and is likely to continue for quite a few more years to come. Therefore, it is reasonable to suggest that U.S. security commitments to the Republic of Korea (ROK) made credible by a significant level of U.S. military presence there has been a critical factor for the maintenance of stability on the Korean peninsula during these decades. It follows then that until a military balance is achieved between the two Koreas it is important for the United States to continue to play a similar stabilizing role by maintaining minimum security commitments to the Republic of Korea, preferably with an on-the-spot force presence, to offset the military superiority enjoyed by the North.

The Military Balance in Korea

Military expenditures: Although it is difficult to estimate North Korea's military expenditures, as in the case of all closed systems, the best estimates available suggest that the North's have been much greater than the South's. According to the U.S. Arms Control and Disarmament Agency (ACDA), since 1974 the South has been outspending the North militarily.³ But in view of the recent U.S. intelligence data that show North Korean military strength to have been grossly underestimated heretofore,⁴ it is reasonable to think that North Korean military expenditures during the 1970s have also been significantly underestimated.

Because North Korea is a society tightly closed to the outside, a large margin of error in estimating its military strength or expenditures is always possible. North Korea is believed to have devoted at least 15% to 20% of its GNP to military expenditures in the 1960s⁵ and an even higher percentage—perhaps as much as 25% to 30%—in the 1970s. Accordingly, the North's military expenditures during recent years are likely to have remained much greater than the South's, which have been about 6% of its GNP. It is also known that the North tends to spend a much lower percentage of its total military budget on personnel and maintenance than does the South, thus devoting a much higher percentage to the acquisition of arms and equipment.

serving peace in Korea has been to maintain a stable balance of power on the peninsula." It can be taken as a prescription for the future also. See Stuart E. Johnson with Joseph A. Yager, *The Military Equation in Northeast Asia* (Washington, D.C.: The Brookings Institution, 1979), p. 56.

³ U.S. Arms Control and Disarmament Agency (ACDA), *World Military Expenditures and Arms Transfers, 1967-1976* (Washington, D.C.: July 1978), p. 50.

⁴ See *The New York Times*, January 4 and 21, 1979; *The Washington Post*, January 14, 1979; and the Associated Press story in *The Korea Herald*, February 13, 1979. See also the U.S. Department of Defense's October 4, 1979 release on North Korean order of battle which reflects the new intelligence data.

⁵ U.S. Central Intelligence Agency, National Foreign Assessment Center, *Korea: The Economic Race between the North and the South, Report* (Washington, D.C.: January 1979), p. 6; Evelyn Colbert, "The Military Balance between North and South Korea" (a paper presented at the Association for Asian Studies meeting, April 1, 1978), p. 8.

TABLE 1: Military Expenditures: North and South Korea^a (in millions of U.S. dollars)

	Current		Constant ^b	
	N. Korea	S. Korea	N. Korea	S. Korea
1967	472	207	747	323
1968	612	252	929	382
1969	617	302	892	436
1970	701	332	963	456
1971	749	442	982	580
1972	499	513	629	646
1973	623	501	743	597
1974	698	703	756	762
1975	720	958	720	958
1976	1000	1380	953	1320

SOURCE: U.S. Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers: 1967-1976* (Released July 1978), p. 50.

^a The figures for North Korea for the entire period are probably seriously underestimated since they represent less than 10% of the GNP. Actually, they may have been as high as 25% or 30%.

^b 1975 is used as the base year.

Therefore, the ACDA data for North Korea as shown in Table 1 are believed to be low. For instance, a more probable figure for 1976 is US \$2617 to \$3140 million in current prices (US \$3300 to \$3960 million in constant prices) if we accept 25% to 30% of GNP as the bases for calculation. This means that military spending in the North may still be three times that of the South.

Arms transfers: Another major factor in the military balance is the amount of arms transferred to the two Koreas from foreign suppliers. The ACDA estimates that during the period 1967-1976, arms transferred to the North amounted to a total of US \$771 million (current) while the comparable figure for the South was US \$2,625 million⁶ (see Table 2). The accuracy of these estimates is problematic because the U.S. is in a poor position to know exactly what kinds and quantities of arms are supplied from abroad to the North, whereas it has an accurate grasp of arms transferred to the South. The fact that until recently the

TABLE 2: Arms Transfers to Two Koreas by Supplier, 1967-1976 (in millions of U.S. dollars)

	Total	U.S.	USSR	France	PRC	Poland	Others
N. Korea	771	-	480	-	280	5	10
S. Korea	2,625	2,615	-	5	-	-	5

SOURCE: U.S. Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers: 1967-1976* (Released July 1978), p. 158.

⁶ ACDA, *World Military Expenditures and Arms Transfers, 1967-1976*, p. 158.

United States grossly underestimated North Korean military capabilities indicates that such an accuracy gap may exist here also.⁷ It must also be taken into account that the North receives arms exclusively from the Soviet Union, the People's Republic of China (PRC), and other communist countries, all closed to external observation in arms transfer transactions.

Even if the ACDA estimates are accepted at face value, and the South is assumed to have received more arms from abroad during this period, the difference is not significant enough to offset the cumulative military buildup advantage enjoyed by the North on account of its larger military expenditures throughout the period. It must also be noted that the North had a formidable head start over the South in its domestic armament industry. For quite some time, the North has been producing most of its arms and equipment except for combat aircraft and other highly sophisticated equipment. Currently the North produces small arms, recoilless rifles, mortars, rocket launchers, artillery, AAA weapons, APCs, submarines, and tanks. It relies on the PRC and the Soviet Union for imports of aircraft, missiles, and other sophisticated equipment. In contrast, the South is just beginning its defense industry. Within a few years, the South may be able to catch up with the North in domestic arms production, but neutralizing the cumulative effect of the North's earlier start will take much longer.

Orders of battle: It was evident even prior to the recent intelligence data that the North enjoyed an overwhelming advantage in a number of categories of military strength. In comparison with the South, it had more ground combat divisions, a greater ground firepower, a more than two-to-one quantitative advantage in both armor assets and combat aircraft, and a more than four-to-one advantage in anti-aircraft guns and navy combat vessels. About the only major category of military strength in which the South was believed to be superior was ground combat personnel with 560,000 men against the North's 440,000.⁸ According to the new U.S. intelligence data (which reportedly have been under analysis since the spring of 1978), the North is believed to have as many as 40 combat divisions or division-equivalents instead of 25 as previously es-

⁷ U.S. Deputy Assistant Secretary of Defense Michael A. Armacost, in a statement before the Asia and Pacific Affairs Subcommittee of the House Foreign Relations Committee, March 6, 1979, remarked that the U.S. intelligence community had "uncovered a trend which was missed in the early and mid-1970s." Others including U.S. Defense Secretary Harold Brown also have admitted to the inaccuracy of the previous estimates of North Korean military strength.

⁸ See U.S. Congressional Budget Office, "Report on U.S. Policy toward Korea; U.S. Forces, Korea: Analysis of the North Korean Threat." For a similar assessment of the military balance prior to the new intelligence data, see Hubert H. Humphrey and John Glenn, *U.S. Troop Withdrawal from the Republic of Korea: A Report to the Committee on Foreign Relations, U.S. Senate* (Humphrey-Glenn report) (Washington, D.C.: January 9, 1978), p. 27; Colbert, "The Military Balance between North and South Korea," pp. 8-9.

timated, a 600,000–700,000-man army rather than a 440,000-man army, and 2,600 tanks instead of 1,950⁹ (see Table 3).

TABLE 3: North Korean Order of Battle

Ground Forces	
Active Duty Personnel	600,000–700,000
Combat Divisions/Brigades	35–40
Infantry Divisions/Brigades	30–35
Motorized Divisions	3
Armored Divisions	2
Separate Armor Rgts	5
Commando Personnel	50,000–100,000
Total Combat Maneuver	
Battalions	550–600
Reserves	2.5 million
Medium Tanks	2,500
Light/Amphib Tanks	100
Assault Guns	100
Armored Personnel Carriers	1,000
Field Arty Weapons (excluding MRL)	3,500–4,000
Multiple RKT Launchers	1,500–2,000
Mortars	9,000
Inf Antitank Weapons	24,000
AA Weapons	8,000–9,000
Naval Forces	
Personnel	31,000
Bases	18
Total Combat Ships	450
Patrol Frigates	6–7
Missile Attack Boats	17–19
Coastal Patrol	300
Amphibious Craft	80
Submarines	15–20
Air Forces	
Personnel	45,000–50,000
Total Aircraft	1,110–1,150
Jet Fighters	650
MIG–15/17	320
MIG–19	160–200
MIG–21	120
Fighter/Bomber (SU–7)	20
Light Bomber (IL–28)	85
Transports	250
Helicopters	65
Trainers	100
Jet Capable Airfields	20

SOURCE: The U.S. Department of Defense release, October 4, 1979.

⁹ See the U.S. Department of Defense release on North Korean order of battle, October 4, 1979. See also *The New York Times*, January 4 and 21, 1979; *The Washington Post*, January 14, 1979; the Associated Press story in *The Korea Herald*, February 13, 1979.

With or without a recent surge, this revised picture makes the military imbalance even more serious. If "a definite offensive capability" could be attributed to the North even prior to the new data,¹⁰ the North's offensive capability must now be considered even more threatening.¹¹ According to Gen. John A. Wickham, North Korean military forces outnumber those of the ROK in almost every significant aspect. The North has two-and-a-half times as many tanks, twice as many armored personnel carriers, two to three times as many artillery weapons and multiple rocket launchers, twice as many aircraft, four times as many naval vessels, and about 20 submarines. The North Korean army has nearly twice as many combat maneuver battalions as do the ROK ground forces. According to Wickham, a qualitative comparison of ground and naval forces shows an even greater imbalance in favor of the North than indicated by numbers alone.¹²

Previously available data already drew an alarming picture of North Korea's order of battle trends for the period 1972-1977, as Table 4 shows. Given the fact that this picture was based on a significant underestimation, the North-South gap in military balance may be increasing instead of decreasing.¹³ Wickham believes that the South is now faced with a greater imbalance than in 1974.¹⁴ Therefore, it must

TABLE 4: North Korea's Order of Battle Data, Trends by Year

	1971	1972	1973	1974	1975	1976	1977
Multiple rocket launchers		900	951	1050	1150	1300	1300 ^a
Tanks		600	850	1300	1700	1950	1950 ^b
Submarines		5	5	7	10	10-12	10-12
Fighters (Mig 15, 17, 19, 21, & SU-7)		470	530	560	560	570	581 ^a
Helicopters	21	26	31	31	43	65	65
Naval combatants	200	200	250	350	390	425-450	425-450 ^a
Artillery pieces	2400	2500	2600	2700	2800	3000	
APCs	120	150	250	400	500	750	750 ^a
Amphibious craft	18	18	20	60	65	90	90
Fighter bombers/ Light bombers (SU-7 & IL-28)	80	90	90	90	105	105	107 ^a

SOURCE: Data released by the U.S. Department of Defense, May 19, 1978.

^a These are approximations. Actual figures may be greater.

^b New intelligence data suggest 2600.

¹⁰ Humphrey-Glenn report, pp. 28-33.

¹¹ Committee on Armed Services Pacific Study Group, U.S. Senate, "Korea: The U.S. Troop Withdrawal Program, Report," (Nunn report) (Washington, D.C.: January 23, 1979), p. 8.

¹² See Gen. Wickham's prepared statement before the U.S. House Armed Services Committee, February 20, 1981.

¹³ The Humphrey-Glenn report, which was prepared prior to the new information on North Korean military strength, observes that "when measured by firepower only, the balance has shifted from rough parity in 1970 to a definite advantage for the north in 1977." See p. 27.

¹⁴ See Wickham's statement.

be inferred that it may yet be quite a few years before the South catches up with the North.

Since we are interested not in a statistical balance of the opposing forces but in an effective deterrence, yet other factors in addition to the order of battle data must be considered. Even though the South has the advantage of terrain, defensive positions, a better educated military leadership, and a better transportation network, these advantages are more than offset by the advantages enjoyed by the North such as a better air defense system, greater military production, capability of surprise, ability to concentrate attacking forces at points of its choice, and more commando-type forces.¹⁵ Moreover, the proximity of Seoul to the DMZ and the distance of Pyongyang from it give the North another major advantage. Seoul lies only 25 miles—less than three minutes of flying time—from the DMZ, well within the range of North Korea's surface to surface missiles such as Frog-5/7s, whereas Pyongyang is 100 miles from the DMZ.¹⁶

Deployment: North Korea has worked hard to maximize its geographical advantages and to improve its prospects for achieving surprise. For instance, most of its major military and industrial facilities are located in the northern part of the country, heavily protected by SAMs and anti-aircraft artillery. It has deployed major ground forces, equipped with large numbers of tanks, APCs, and mobile artillery, close to the DMZ. Much of its artillery is also deployed forward along the DMZ in hardened positions, and it has built hardened airfields in forward positions. North Korea has large supplies of river crossing equipment as well as unconventional warfare forces which could be landed behind the lines by sea or air to mount diversionary attacks against the South.

These factors enhance the north's capability for surprise attacks.¹⁷ As a totally closed society, North Korea also has a good chance of moving military forces and equipment secretly without being detected by the South. Particularly for a short war with limited objectives, it does not even have to rely on any further external assistance or resupply for 30 to 90 days.¹⁸ Given these considerations and the proximity of Seoul to the DMZ, warning time for the South, strategic as well as tactical, may be almost nil.¹⁹

The South has organized its defenses in anticipation of an effort by the North to advance rapidly upon Seoul. It has deployed its forces forward, heavily fortified a line two to five miles south of the DMZ, and erected tank barriers at numerous points along possible routes of North

¹⁵ See the Humphrey-Glenn report, pp. 27-28.

¹⁶ Frogs have a maximum range of 55 kilometers. See Doug Richardson, "World Missiles Directory," *Flight International*, Vol. 111 (May 14, 1977), p. 1606.

¹⁷ See the Nunn report, p. 8.

¹⁸ See Colbert, "The Military Balance between North and South Korea," p. 10; the Humphrey-Glenn report, p. 31.

¹⁹ See *ibid.*, p. 30. See also Wickham's statement, p. 31.

Korean advance. However, these measures are hardly sufficient to overcome the South's vulnerabilities, particularly to a short surprise attack for limited objectives directed against Seoul.

North Korean intentions are subject to differing interpretations. Some analysts argue that they are offensive, and others defensive. But what is clear is that its deployment posture and superiority in fire power give the North an offensive capability.²⁰

Force improvement by the South: The Republic of Korea is aware of its vulnerabilities and has made efforts to develop a more self-reliant defense capability particularly in view of the Carter administration's initial plan to withdraw U.S. ground combat forces from Korea by 1981 or 1982. It carried out a force modernization program from 1971 to 1977 with \$1.5 billion in aid from the United States (see Table 5). Initially planned for completion by 1975, the modernization plan was not completed until 1977 because of delays in U.S. contributions.

TABLE 5: Force Modernization Plan (ROK) (in millions of U.S. dollars)

Terms	1971-1975	1976-1977	Total
U.S. Grant	918	70	988
U.S. FMS	116	412	528
Total	1,034	482	1,516
Progress (%)	69	31	100

SOURCE: Hubert H. Humphrey and John Glenn, "U.S. Troop Withdrawal from the Republic of Korea: A Report to the Committee on Foreign Relations, U.S. Senate," January 9, 1978, p. 44.

In the meantime, the South also embarked on an ambitious force improvement plan (1976-1981) estimated to cost nearly US \$8 billion and foreign exchange costs of US \$3.5 billion. Even successful completion of this plan is not likely to lead to a military balance between the North and South, and the long delays in the implementation of the plan raise questions concerning the ability of the ROK to meet its original targets by the end of 1981. The achievement of a rough balance with the North will probably take a second force improvement plan, which would not be completed until 1986.

The South has two major advantages: a population twice as large as the North's and a stronger and faster growing economy with a GNP three times as large as the North's²¹ (see Table 6). Therefore, it is only a matter of time until the South will be able to acquire parity with the North in military strength. How long it takes will depend on a number

²⁰ See *ibid.*; the Humphrey-Glenn report, pp. 27-28.

²¹ The North has attempted to minimize its population disadvantage by lowering the military service age to 16 and its proportion of working age males in regular armed forces (16%) is second only to Israel as compared with 6% in the south. All young men are drafted for seven years in North Korea.

TABLE 6: Population and Economic Size, North Korea and South Korea

	N. Korea	S. Korea
Population (millions)	17.0	36.9
Gross national product (millions of U.S. dollars)	10,471	22,690

SOURCE: U.S. Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers, 1967-1976* (Released July 1978), pp. 50, 93.

of factors such as the North's effort for military buildup, the South's economic growth, and the amount and speed of capital and technical assistance the South will receive from its allies. A rough estimate is that it will take five to ten years.

U.S. Troops in Korea

The role of U.S. troops in Korea must be examined against the background of the evolving military balance in the peninsula because whether they could be withdrawn without seriously undermining the stability in the area depends to a great extent on the balance between the two Koreas. Immediately following his inauguration as president in January 1977, Jimmy Carter reaffirmed his campaign pledge to withdraw U.S. forces from Korea over a period of four to five years. According to a ranking official in the administration, the original decision was based on the following premises.²²

First, the Republic of Korea was capable of repelling an attack by the north without the assistance of American ground combat forces, provided the U.S. afforded timely air, naval, and logistic support to the Republic of Korea.

Second, all of the major powers—the U.S., Japan, the USSR, and the PRC—shared an interest in avoiding a renewal of conflict on the Korean peninsula.

Third, the dynamic growth of the ROK economy was gradually transforming the balance of power on the peninsula in the south's favor, and permitted the transfer of a larger share of the burden of common defense to the Republic of Korea, including responsibility for the entire ground combat role.

Fourth, by carefully staging the withdrawals over a period of four or five years, the United States could pace them to the increasing strength of the ROK.

Fifth, even when U.S. ground combat forces had been completely removed from Korea, the United States would retain a powerful and effective deterrent through continued deployment of air power on the penin-

²² Armacost statement before the Asia and Pacific Affairs Subcommittee of the House Foreign Relations Committee, March 6, 1979.

sula. And we would have established a more sustainable division of labor with the ROK—they providing the manpower for their own defense; the U.S. contributing technology-intensive support, principally in the form of air and naval power. In addition, we expected to have some residual army units in South Korea to perform logistics, communications, and other functions: and, of course, would retain a capacity to reinsert ground combat forces in the event of a crisis.

Each of these premises must be regarded as flawed in one way or another. The first premise was based on an exaggerated estimate of the Republic of Korea's current capabilities relative to the North's, as the more recent intelligence data clearly demonstrate.²³ It might be recalled that the initial decision for withdrawal was made on the basis of intelligence estimates which have proven to be inaccurate. The second premise derives from an overly complacent view of the possible Chinese and Soviet roles in maintaining stability on the Korean peninsula.²⁴ For one thing, either communist power's ability to restrain the North is highly uncertain even if both powers are interested in avoiding a renewal of conflict on the Korean peninsula. For another, either or both powers may feel compelled to assist the North against their own initial wishes once the North launches an attack.

The third premise, which seems essential to the validity of all the other premises, exaggerates how rapidly the South can achieve a balance or superiority in military strength vis-à-vis the North. The new intelligence data strongly suggest that the achievement of such a balance will take longer than previously estimated because the current gap in the North's favor is much larger than previously believed. The fourth premise would be acceptable only if the terminal date for the withdrawal had not been set for 1981 or 1982 but left open. This premise suffers from the same error of judgment underlying the preceding premise. Although the Carter administration later changed its position, its initial statements clearly implied that the withdrawal programs would come to a conclusion in 1981 or at the latest in 1982. Finally, the fifth premise understates the psychological deterrent value of the presence of U.S. ground combat forces stationed as they are between the DMZ and Seoul. It is worth noting that the removal of ground combat forces has often been seen as related to a desire to avoid an automatic involvement by the United States in the event of a crisis. There can be no question that the prospect of an automatic U.S. military involvement with ground forces provides a more powerful deterrent than that of a less than automatic involvement, particularly without ground forces.

Later there were signals that the Carter administration was rethinking its withdrawal plan. To cite just a few examples, in April 1978 Carter announced his decision to defer until 1979 a significant

²³ The Nunn Report, p. 16.

²⁴ See Carpenter and Dornan, *U.S. Strategy in Northeast Asia* (Washington, D.C.: SRI International Strategic Studies Center, June 1978), p. 86.

portion of the first phase of U.S. troop withdrawals originally scheduled for 1978. In letters of July 20, 1978 to Senate Majority Leader Robert Byrd and House Speaker Thomas O'Neill, Carter explained that withdrawals were not intended to "follow a rigid timetable not subject to modification in the light of changing circumstances," but that "our plans will be adjusted if developments so warrant." At a press conference on February 9, 1979, Carter announced that "right now we are holding in abeyance any further reduction in U.S. ground combat troop levels from South Korea until we can assess the new intelligence data on the buildup of North Korean force levels, the impact of the normalization with China and the new peace proposal or discussions for peace that have been put forward by both South and North Korean governments."²⁵ Then, in May 1979, there was a report in the press, attributed to "a senior White House official," that the Carter administration finally determined to "freeze further troop withdrawals from South Korea."²⁶ Finally, on the occasion of his state visit to Korea from June 29 to July 1, 1979, Carter announced his decision not to make any further troop withdrawals until 1981 at which time the situation on the Korean peninsula was to be reassessed in order to determine whether to proceed with further withdrawals.²⁷

A number of factors may have contributed to the Carter administration's change in withdrawal policy. First, it was, from the outset, strongly opposed by Japan as well as the Republic of Korea. Second, it is believed that the People's Republic of China favors a continued strong presence of U.S. forces in the Western Pacific, including Korea. Third, both U.S. public and congressional opinion became increasingly unfavorable to the withdrawal policy. Fourth, the decision was soon faced with a strong and stubborn resistance from both the military and civil bureaucracy in the United States.

In short, when a military balance is accepted as a minimum factor for stability in the Korean peninsula, the Carter administration's decision to withdraw U.S. ground combat forces from Korea by 1981 or 1982 had the potential to disrupt the balance and thus weaken the deterrence. And the Carter administration gradually readjusted its withdrawal policy so as not to disrupt stability on the Korean peninsula. Now that Reagan has replaced the Carter administration in Washington, further troop withdrawals are even more unlikely.

Balancing vs. Integration as the Road to Peace

Military balance contributes to deterrence, but the consequent deterrence, by definition, cannot be but a fragile peace given the possibility of aggressive intentions on the part of one or more actors involved

²⁵ *The Korea Herald*, February 13, 1979.

²⁶ *Ibid.*, May 31, 1979.

²⁷ *Ibid.*, July 3, 1979.

in a situation of potential conflict. In other words, peace through deterrence by means of military balance implies a residual potential for conflict. For peace to be more stable or for the possibility of conflict to be further reduced, the mutual intentions of the actors involved must themselves be made more peaceful. In this sense, it is useful to consider integration as an alternative or an additional variable in the maintenance of peace in the Korean context also.

Integration here will be defined as any level of association between actors, on one dimension or another.²⁸ Conceived as a continuum, integration thus means any social or economic transactions at its lowest level and the formation of a new political community at its highest level. In the Korean context, integration would thus mean some form of dialogue and exchange between the two Koreas at the minimum level, some form of collective problem solving at the intermediate level, and the unification of the two political entities into one political organization with exclusive sovereignty over the combined territory and population of the entire Korea at the highest level.

Such an integration, when carried to its terminal condition of political unification, would certainly mean peace because there would be no plurality of political actors. Even at an intermediate level of collective problem solving, peace would be on a firmer foundation because collective problem solving in itself would imply a higher degree of friendliness between the actors. However, at a lower level of integration with only some form of social and economic transaction, peace would still remain fragile. The process of integration is always reversible, with renewed possibilities of conflict.

At present, the two Koreas must be placed at the lowest level of integration with virtually no direct dialogue or contacts. Between them, there is not even postal service let alone other forms of social, economic, and political transaction. Neither side has as yet officially recognized the legitimacy of the other's existence. The ROK came closest to officially recognizing the Pyongyang regime when President Chun Doo Hwan, on January 12, 1981, proposed an exchange of visits by "the highest authorities" of the two sides and referred to Kim Il-Song as "President Kim Il-Song." But the North has made no positive response to this proposal. The attempt at a two-channeled dialogue initiated in 1971 and 1972 was short-lived, coming to a sudden halt in 1973, and efforts for its resumption have been to no avail.²⁹

²⁸ See Joseph S. Nye, Jr., "Comparative Regional Integration: Concept and Measurement," *International Organization*, Vol. 22 (1968), pp. 855-880; Ernst B. Haas, "International Integration: The European and the Universal Process," *International Organization*, Vol. 15 (1961), pp. 366-392; Haas, "The Study of Regional Integration: Reflections on the Joy and Anguish of Pretheorizing," in Leon N. Lindberg and Stuart A. Scheingold, eds., *Regional Integration: Theory and Research* (Cambridge, Mass.: Harvard University Press, 1971).

²⁹ See Lee Young Ho, "Peace and Peaceful Unification in Korea: Problems and Possibilities," a paper delivered at the International Symposium in Search of a Peace System in Northeast Asia, Tokyo, November 15-17, 1979.

Basically, the South takes a gradualist approach to unification, believing that the final political unification must be achieved through a gradual and cumulative process in which smaller initial steps are followed by bigger steps later. The North has argued that the South actually seeks a perpetuation of the division on the pretext of an evolutionary approach to unification, and has counter-proposed a sudden jump to unification or at least to some form of political confederation. To this, the South has responded that the North seeks to avoid any improvement of relations with the South and thus is actually committed to a strategy of revolutionary takeover of the South by force. The prospects for an early resolution of these differences and for a genuine beginning of progress towards integration do not appear good.

Therefore, although integration may contribute to peace in the meantime and bring about unification in the end, it is not a likely alternative to deterrence through military balance for maintaining stability on the Korean peninsula. Or put differently, until integration becomes an actual fact, there will be no alternative to military balance. It is sometimes argued that military balance is incompatible with integration. Mutual distrust, implicit in the balancing process, may contribute to an arms race, which may obstruct the cooperation integration calls for. However, balance or balancing in itself does not produce distrust or an arms race. On the contrary, imbalance contributes to distrust, which compels the inferior actor to make efforts to achieve a balance, or even a margin of superiority under a condition of distrust.

At any rate, the fact of the matter is that in the Korean peninsula there is mutual distrust compounded by an imbalance in the North's favor. Therefore, it is natural for the South to hope and try to achieve a balance in order to obtain a condition of deterrence, particularly in view of the possibility of the United States withdrawing its ground combat forces, if not in the immediate future then eventually.

At this time, there is an arms race between the two Koreas with the North trying to maintain or strengthen its advantage and the South trying to rectify the imbalance. Given time, there is a reasonable prospect that the South will achieve a parity or even a margin or superiority vis-à-vis the North. The prospect of the South achieving a superiority can only be perceived by the North as threatening, thus further intensifying the arms race.

The reversal of the U.S. withdrawal decision enables the South to reduce the speed with which it is pursuing the goal of military self-sufficiency. However, in the final analysis, it will be the beginning of an integration process between the two Koreas themselves with the consequent reduction of tension and distrust that will slow down the pace of military buildup by both sides and stabilize the Korean peninsula.

THE GOVERNMENT, INTERMEDIATE ORGANIZATIONS, AND GRASS-ROOTS POLITICS IN HONG KONG

Lau Siu-kai

IN THE PAST 15 years or so, structural changes along several lines in Hong Kong have substantially transformed the relationship between the colonial government and the ordinary Chinese people. In the first place, the government has assumed an increasingly crucial role in the delivery of urban and social services (notably public housing and an assortment of welfare provisions) to the relatively disadvantaged sector of society. Consequently, direct interaction between the government and the people, though somewhat reluctantly undertaken by both parties, has grown at a great rate. Second, ever since acquiring the Colony in 1843, the British colonial administration has exercised a form of "indirect rule" toward the colonized Chinese nationals. Though this "indirect rule" has never materialized in any form of statutory self-government, the British colonial administration has consistently relied upon a select group of Chinese leaders and organizations to mediate between it and the governed.

This highly institutionalized pattern of governance has played a prominent role in maintaining peace and order in the Chinese sector without imposing serious financial and administrative strain on the colonial governmental apparatus. Recently, however, conditions have taken a significant reverse turn. Because of growing economic prosperity and the resulting increase in the general standard of living, the emergence of modern values and behavioral patterns, and the takeover of many economic, social, and cultural functions by the government, most of the Chinese intermediate organizations that in the past mediated between the government and the ordinary people have lost their functions, financial viability, and *raison d'être*. Because almost all of

these intermediate organizations have either traditionalistic and ideological (mostly supportive of the Nationalist regime in Taiwan) colorations, they have become increasingly unattractive to the general public. With both leadership and membership resources drying up, these organizations are swept into a state of limbo. Instead of resurrecting these organizations for modern uses, the government has opted to abandon them. Consequently, the *modus vivendi* between the two parties is awkward and largely detrimental to improving their functioning.

More unfortunate, the decline of these intermediate organizations has not been compensated for by new types of community and political associations among the ordinary Chinese people. Trade unions, which in other places are instrumental in articulating and representing the interests of the lower orders, are unable to serve political representational functions in Hong Kong. Coincidental with the expansion of governmental functions and activities, therefore, is a "vacuum" in the field of intermediate organizations between the government and the ordinary people.

Third, the government, by no means oblivious of the need for viable mediating mechanisms between itself and the people, has taken the initiative to construct "channels of access" which are available to the latter. The intentions of these arrangements on the part of the government are clear: to solicit information from the public so that effective policy can be made, to anticipate the behavioral tendencies of the people, to rectify administrative misdoings, to improve the relationship between the government and the governed, and to enhance the government's image in society. According to Ambrose Y. C. King, these efforts constitute in effect a hat trick of administrative absorption of politics,¹ which aims at depoliticizing the urban masses by diverting political issues into the administrative framework for resolution and by simply transforming political issues into non-issues or mundane administrative chores to be dealt with by professionals. That these efforts have not been successful is obvious from the riots in 1966 and 1967-1968 and the low level of utilization of these official channels by the general public. Recently, the government itself seems to be rather disappointed with its administrative inventions.

Fourth, with the deterioration of intermediate organizations and the increasing dependence of ordinary people on the government for service delivery and administrative information, grass-roots politics in Hong Kong has taken on new forms. Unconventional forms of political participation are on the rise. These frequently bypass the formal channels of bureaucratic encounters and are usually collective in membership composition. What is more disheartening to the government is that these unconventional or "anomic" modes of political participation by the urban masses have become increasingly acceptable to the general

¹ Ambrose Yeo-chi King, "Administrative Absorption of Politics in Hong Kong: Emphasis on the Grass Roots Level," *Asian Survey*, 15:5 (May 1975), pp. 422-439.

public and, given time, will be institutionalized as an effective means of exerting political influence by the politically deprived. These modes of political participation are by nature elusive to administrative control from the center, which accounts for the government's annoyance. Moreover, the current state of affairs of the intermediate organizations does not render them amenable to official efforts either to accommodate the new tides of political participation or control them.

Finally, in order to maintain peace and order, two options for structural reorganization are open to the government. The first option hinges upon a substantial restructuring of the social organizational infrastructure at the grass-roots level which would entail a costly interventionist posture by the government. The alternative, and the one actually adopted, is an enlargement of the process of administrative absorption of politics, which in essence involves further administrative penetration into the grass-roots and channeling political participation into administratively endorsed paths. The latter option naturally is less costly in the short run and necessitates less societal reorganization. Thus it is more in tune with the stance of the government, which is still socially non-interventionist in character. To what extent the latter option is effective in depoliticizing the urban masses and in integrating them into the political system we have to wait and see. However, we shall argue, by extrapolating into the future, that adopting the latter option will, in the long run, be more costly since it will force the government willy-nilly into a situation wherein the political system has to be substantially transformed in order to maintain political peace and cut the sizable administrative expenses. The first option, though more costly in the short run, will turn out to be more economical and effective in the long haul.

The Decline of Intermediate Organizations

The Chinese people are renowned for their voluntaristic organizational capabilities. Through establishing voluntary bodies to cater to their social and cultural needs, the Chinese in Hong Kong had demonstrated their ability to maintain social peace and a decent level of social well-being. Not uncommonly, these voluntary associations were able to expand their functions both to come to grips with larger-scale social problems (like the Po Leung Kuk's help for girls and young women in need of care and protection)² and to assume the political function of mediating between the Chinese people and the alien British authorities. In the latter function, the Tung Wah Hospital had been a case in point. The functions of the hospital in the past were never purely medical. In fact, it served as the unofficial "government" of the Chinese community in the eyes of both the British colonial authorities and the

² Henry Lethbridge, *Hong Kong: Stability and Change* (Hong Kong: Oxford University Press, 1978), pp. 71-103.

Chinese authorities in China.³ Through these intermediate organizations and their leaders, the interests of the Chinese were heard and, to a certain extent, taken care of by the colonial administrators. The de facto autonomy of the Chinese community, under the control of a cohesive layer of prosperous Chinese businessmen and social notables, was deliberately encouraged by the British authorities before the Second World War. This autonomy was further enhanced by the right granted to the Chinese to operate a private police force of their own (the District Watchmen).⁴ The reliance of the British colonial administration on Chinese indigenous organizations for administrative and political purposes had in effect segregated the Chinese community from the colonial government, with the Chinese leaders providing the linkages between the two on the one hand and mobilizing resources within the Chinese community to take care of its own needs on the other. Under such an arrangement, depoliticization and political peace were maintained. Needless to say, the unrelenting fluidity of the Chinese population and their low socio-political aspirations ensured that political issues, if any, seldom spilled over the boundaries of the Chinese community.⁵

The decade immediately after the restoration of British rule in Hong Kong in 1945 witnessed the virtual indispensability of intermediate organizations in the Colony. The massive influx of Chinese refugees into Hong Kong, the gloomy economic and employment conditions, the wide-ranging social problems awaiting remedies, and the meagreness of government resources underscored the need to mobilize and channel societal resources and initiatives to cope with the "crisis" situation. Moreover, the colonial government's unpreparedness to tackle problems of such magnitude and the inexperience of the understaffed bureaucracy immersed in classical laissez-faire doctrines reinforced the urgent need for voluntary efforts. In the 1945-1955 decade, intermediate bodies of various kinds proliferated, including community organizations and nonterritorial organizations based on ascriptive and functional ties such as clansmen associations, district associations, and chambers of commerce (*shang hui*). In many chambers of commerce, ascriptive ties in the form of district and dialect connections loomed very large in spite of their allegedly universalistic nature.

All these intermediate organizations served the Chinese community in a variety of ways—welfare provisions to the needy, job referrals, political assistance, reinforcement of group solidarity, cultural preservation, and the conferral of status to those serving as leaders. The aggregate efforts of these organizations contributed in no small measure to

³ *Ibid.*, pp. 52-70.

⁴ *Ibid.*, pp. 104-129.

⁵ The most important demands for political participation in Hong Kong before the Second World War were initiated by British merchants and entrepreneurs. See G. B. Endacott, *Government and People in Hong Kong 1841-1962* (Hong Kong: Hong Kong University Press, 1964), pp. 19-175.

integrating the new immigrants into the urban society of Hong Kong. But the dependence of many ordinary people on these organizations for service provisions subjected them to the control of these organizations and their leaders in one way or another. Though it was necessarily true that many individual Chinese were apathetic to these organizations and did not participate in their activities, their structural and functional viability could not be denied. Their functions in organizing the Chinese community and in linking it with the larger political order by serving as intermediaries were, from hindsight, well-nigh indispensable. To the government, these organizations served as effective mechanisms whereby the Chinese community could be brought under some measure of administrative control.

In the last fifteen years or so the decline of these organizations as functional intermediaries between the government and the ordinary people was a well-known phenomenon to the government, the general public, and the organizational leaders themselves. Because empirical research on recent developments concerning these organizations is scanty, the conditions conducive to this long-term decline can only be surmised.

In the case of the Kaifong Associations, the process of decline can be illustrated by the shrinkage of their active and passive membership, the depletion of their financial resources, the failure to recruit young and dynamic leaders, and the inability to execute many of the functions which formerly constituted the mainstay of their performance. The incessant bickering among the Kaifong leaders further detracted from the internal solidarity of a movement whose very survival was already in serious jeopardy.⁶

A glance at the financial status and activities of a representative group of Kaifong Associations in 1978 will throw light on the moribund conditions of these organizations.⁷

The Mongkok Kaifong Association

Major services provided (and recipients): medical service (15,000), loan service (0), emergency relief (200) and funeral expenses contributory scheme (2). Budget: HK\$200,000 (one HK\$ = US\$.20). Major sources of revenue: membership dues and donations. Number of members: 13,000. Estimated active membership: 150.

The Aberdeen Kaifong Association

Major services provided (and recipients): funeral expenses contributory

⁶ For the Kaifong Associations, see the following by Aline K. Wong: *The Kaifong Associations and the Society of Hong Kong* (Taipei: The Orient Cultural Service, 1972); "Chinese Voluntary Associations in Southeast Asian Cities and the Kaifongs in Hong Kong," *Journal of the Hong Kong Branch of the Royal Asiatic Society*, 11 (1971), pp. 62-73; and "Chinese Community Leadership in a Colonial Setting: The Hong Kong Neighborhood Associations," *Asian Survey*, 12:7 (July 1972), pp. 587-601.

⁷ Data on the intermediate organizations were collected by Dr. Ho Kam-fai and myself, with the help of two research assistants, in the summer of 1978. Responsible persons of the organizations were interviewed on the phone about conditions in their organizations.

scheme (228), emergency relief (10), medical service (21,000), and primary education (160). Budget: HK\$350,000. Major sources of revenue: membership dues and donations. Number of members: 3,200. Estimated active membership: 100.

The Chuk Yuen Cottage Area Kaifong Welfare Advancement Committee
Major service provided (and recipients): financial aid (1,800). Budget: HK\$18,000. Major sources of revenue: membership dues and donations. Number of members: 300. Estimated active membership: 250.

The Shamshuiipo Kaifong Association
Major services provided (and recipients): medical service (12,000), scholarships (no data), emergency relief (1), primary education (1,000), and new year gifts (500). Budget: HK\$140,000. Major sources of revenue: membership dues and donations. Number of members: 1,200. Estimated active membership: no data.

The Tai Hang Sai Kaifong Welfare Association, Ltd.
Major services provided (and recipients): medical service (10,000) and funeral expenses contributory scheme (120). Budget: HK\$40,000. Major sources of revenue: membership dues, charges/fees, donations and contributions for specific purposes. Number of members: 2,300. Estimated active membership: 100.

The Tsimshatsui Kaifong Association
Major services provided (and recipients): medical service (31,300), primary education (no data), and emergency relief (2,000). Budget: HK\$83,000. Major source of revenue: donations. Number of members: 2,600. Estimated active membership: 520.

The Wan Tau Hom Resettlement Kaifong Welfare Association
Major service provided (and recipients): material relief (130). Budget: HK\$24,000. Major sources of revenue: membership dues and donations. Number of members: 500. Estimated active membership: 130.

The Yaumati Kaifong Welfare Advancement Association
Major service provided (and recipients): medical service (8,000). Budget: HK\$50,000. Major sources of revenue: membership dues and donations. Number of members: 1,200. Estimated active membership: 150.

When we take into consideration the fact that the populations supposedly served by these Kaifong Associations range from several tens of thousands to several hundreds of thousands, the figures above are depressing. Moreover, the lion's share of the tiny budgets of these organizations was earmarked for the upkeep of physical equipment and for employee emoluments.

In a study of the Shek Kip Mei and Tsz Wan Shan Housing Estates, two lower-class residential areas, Angela Kan found that more than 90% of the residents there did not make use of the services provided by their Kaifong Associations. Among the reasons given by the

respondents, it is revealing to note that "don't know of its existence," "no time," and "no interest" were the most frequently cited.⁸

The predicament of the Kaifong Associations is shared by a predominant majority of other traditionalistic Chinese voluntary organizations. The following presents the financial and membership conditions of a representative group of these organizations in 1978:

(1) *Clansmen Associations*

Chow Clansmen Association

Major services provided (and recipients): scholarships (45) and funeral expenses contributory scheme (15). Budget: HK\$60,000-\$70,000. Major sources of revenue: membership dues and donations. Number of members: 1,200. Estimated active membership: 130.

Hong Kong Sin Clansmen Association

Major service provided: nil. Budget: HK\$4,000. Major sources of revenue: membership dues and donations. Number of members: 180. Estimated active membership: 40.

Pang Clansmen Association

Major services provided (and recipients): medical aid (nil) and relief for funeral expenses (2). Budget: HK\$12,000. Major source of revenue: donations. Number of members: 700. Estimated active membership: 20.

Tam Clansmen Association

Major services provided (and recipients): scholarships (6), funeral expenses contributory scheme (2) and emergency relief (nil). Budget: HK\$30,000. Major sources of revenue: donations and rent from properties. Number of members: 1,700. Estimated active membership: 35.

(2) *District Associations and Chambers of Commerce*

Chiu Chow Merchants Mutual Assistance Society

Major services provided (and recipients): distribution of winter clothing (7,000), emergency relief (1,000), clinic (11,000) and funeral expenses contributory scheme (no data). Budget: HK\$200,000 (HK\$160,000 for the welfare department). Major sources of revenue: membership dues, donations, and others. Number of members: 500. Estimated active membership: 100.

Chiu Chow Residents' Public Association

Major services provided (and recipients): scholarships (10) and funeral expenses contributory fund (no data). Budget: HK\$72,000. Major sources of revenue: membership dues, donations, and contributions for specific purposes. Number of members: 3,000. Estimated active membership: 400.

⁸ Angela W. S. Kan, *Implications of Concentrated Utilization of Local Facilities and Services in Public Housing Estates in Hong Kong* (Hong Kong: Social Research Centre Occasional Paper, The Chinese University of Hong Kong, April 1975), p. 30.

Chung Shan Commercial Association of Hong Kong

Major services provided (and recipients): emergency relief (110), funeral expenses contributory scheme (6), and clinic (720). Budget: HK\$30,000. Major sources of revenue: donations and rent from properties. Number of members: 5,000. Estimated active membership: 100.

Hong Kong Pan U District Association

Major services provided (and recipients): funeral expenses contributory scheme (24) and emergency relief (nil). Budget: HK\$50,000. Major sources of revenue: membership dues, donations, and contributions for specific purposes. Number of members: 550. Estimated active membership: 400.

Kwangsi Province Natives Association

Major services provided (and recipients): funeral expenses contributory scheme (3) and scholarships (30). Budget: HK\$20,000. Major sources of revenue: membership dues and contributions for specific purposes. Number of members: 600. Estimated active membership: 300.

Ng Yueh District Association

Major service provided (and recipients): funeral expenses contributory scheme (13). Budget: HK\$12,000. Major sources of revenue: membership dues, donations, and contributions for specific purposes. Number of members: 2,000. Estimated active membership: 40.

Sam Sui Natives Association

Major service provided (and recipients): scholarship (210). Budget: HK\$40,000. Major sources of revenue: contributions for specific purposes and rent from properties. Number of members: 2,000. Estimated active membership: 40.

Sun Wui Commercial Society of Hong Kong

Major services provided (and recipients): funeral expenses contributory scheme (2) and emergency relief (nil). Budget: HK\$54,000. Major source of revenue: rent from properties. Number of members: 1,800. Estimated active membership: 50.

Tung Koon District Society

Major services provided (and recipients): scholarships (120), funeral expenses contributory scheme (100) and emergency relief (no data). Budget: HK\$70,000. Major sources of revenue: membership dues, charges/fees, donations, and contributions for specific purposes. Number of members: 4,000. Estimated active membership: 1,000.

Even these dismal figures most probably exaggerate the actual performance of these traditionalistic organizations, especially with regard to membership and finance. At the present time, these organizations are really inward looking and bent on self-preservation. Most of the Kaifong Associations, in catering to their need for organizational maintenance, have gradually shifted from charity work to organizing educational, recreational, and skill-training activities which generate revenue. Their function as political intermediaries between the government and the people is no longer significant. In the same vein, the clans-

men, district, and commercial associations have entered into profit-making activities which serve to underwrite financially their continual existence as organizational entities. In a rare study of the Waichow Hakkas in Hong Kong, Hsieh Jiann has traced in detail the metamorphosis of this large organizational complex from one executing bona fide traditional functions typical of traditionalistic Chinese voluntary associations based on ascriptive ties to one whose major concern is financial solvency.⁹ To generalize further, organizations of this kind which are much smaller in scale should be facing even greater hurdles in their quest for survival. Compared to the Kaifongs, the function of these organizations as political intermediaries is even more negligible. Even in their heydays, their connection with the colonial authorities was fragile. Their deterioration will inevitably bring about their final abandonment by the government. As the aging of leadership and membership, financial insolvency, and shortage of dynamic leadership continue to haunt these traditionalistic organizations, sooner or later they will become historical legacies.

It is not difficult to discover the reasons for the collapse of the intermediate organizations in Hong Kong. First, industrialization and value changes in Hong Kong have rendered traditionalistic voluntary organizations both ideologically unattractive and functionally redundant. The rise of the general public standard of living has reduced the demand for private welfare. The identification of most of these organizations with traditional Chinese values and with the Nationalist regime in Taiwan naturally makes them repugnant to the new generation of Hong Kong Chinese.

Second, the government's assumption of responsibilities for delivering educational, social, and financial services on a large scale to the disadvantaged in society has inadvertently undermined the importance of these organizations as welfare institutions.¹⁰ Joining these organizations is no longer deemed to be imperative even by the most needy, with the exception perhaps of the elderly whose funeral needs are compelling.

Third, with particular relevance to the Kaifongs, feelings of locality among the ordinary people have gradually attenuated. Large-scale internal migration and the newness of the planned communities do not breed identification with locality. Hong Kong is in essence an atomistic society whose basic organizational units are familial groups.¹¹ Neigh-

⁹ Hsieh Jiann, *Voluntary Associations and Cultural Continuity: A Study of the Associations of the Waichow Hakka in Hong Kong* (Unpublished monograph in Chinese, 1979), and "Persistence and Preservation of Hakka Culture in Urban Situations: A Preliminary Study of Voluntary Associations of the Waichow Hakka in Hong Kong" (Unpublished paper, 1980).

¹⁰ See William F. Beazer, *The Commercial Future of Hong Kong* (New York: Praeger Publishers, 1978), pp. 31-37.

¹¹ Lau Siu-kai, "Utilitarianistic Familism: The Basis of Political Stability in Hong Kong," in Ambrose Y. C. King and Rance P. L. Lee (eds.), *Social Life and Development in Hong Kong* (Hong Kong: The Chinese University Press, forthcoming).

borliness is surprisingly low and community spirit almost nonexistent.¹² These factors, as well as increasing population density and the accelerated diffusion of residential high-rise buildings which have their own complex organizational and physical problems, make the Kaifong Associations appear to be oversized and unwieldy organizational monsters.

Fourth, in a modernizing urban society like Hong Kong, urban problems have so changed in nature that global solutions involving substantial resource investments and coordination of efforts by the government are called for, and the government is the only agency equipped to undertake these herculean tasks. In the process of centralizing decision-making, traditionalistic organizations have to be relegated to oblivion. Even organizations of this kind which are organized on a society-wide basis, such as the Tung Wah Hospitals and the Po Leung Kuk, have to take on a new role, however reluctantly, as agencies of the government and act in accordance with its strategic demand.

Fifth, the co-option of increasing numbers of able Chinese leaders into the government's central decision-making process has made them unavailable for leadership positions in these traditionalistic organizations. What is more disastrous is that upper-level Chinese leaders are no longer organically linked up with lower-level Chinese leaders such as those found in traditionalistic organizations; consequently, their role as political intermediaries is drastically undermined. Finally, the new generations of Chinese are more politically active and articulate; traditionalistic organizations, being more servile in political proclivity, are just not palatable to them.

The demise of these intermediate organizations has manifold effects on Hong Kong. The least serious is its impact on social welfare since the government, however inadequately, can provide this. The most serious outcome lies in the political sphere. The peculiar situation in Hong Kong is that these organizations are the only organizational linkage between the government and the ordinary people. Devices such as mass political parties, trade unions, and political patrons, which in many developing countries serve as political intermediaries, are missing. The demise of these organizations in practice creates an "intermediary vacuum" in the political system. This "vacuum," if left unfilled, will generate both a politically apathetic mass and a mass politically volatile enough to be mobilized into disruptive activities, as the 1966 and 1967-1968 riots so forcefully demonstrated.

Ineffectiveness of Official Channels of Access and Grass-Roots Politics

As prolifically documented in community-needs studies in Hong Kong, the most salient needs identified by ordinary people tend to clus-

¹² Angela W. S. Kan, *A Study of Neighborly Interaction in Public Housing: The Case of Hong Kong* (Hong Kong: Social Research Centre Occasional Paper, The Chinese University of Hong Kong, June 1974).

ter around housing and decent living conditions.¹³ The former include resettlement, fair compensation for relocation or displacement, and acceptable rent levels. The latter consist of transportation, sanitation, security, pollution control, etc., which are the ingredients of a tolerable living environment. From a political point of view, these needs constitute the media through which political issues pitting the people against the government will arise, since a substantial proportion of the population is now accommodated in residential complexes built, owned, and administered by the government.

Even though the need for new locality organizations to supplant the by now defunct Kaifongs is well recognized by the government, until the early 1970s they failed to appear. Without locality organizations that can be controlled by the government, confrontations between the government and the people cannot be averted.

It is easy to understand that the government is reluctant to see powerful political organizations in the grass-roots. The norm of administrative efficiency entrenched so deeply in the minds of the colonial officials naturally makes them resent any possibility of political interests interfering with professional decision-making, which is seen as technically neutral and objective. For most ordinary people, the shortage of dynamic leadership in their own ranks will render any attempt at self-organization futile. The hard fact that public housing estates are closely guarded by the government debilitates many would-be organizers. Community organizations run by professional social workers, though potentially transformable into organizations capable of articulating interests and carrying out representation functions, are inhibited from doing so because they are financially dependent upon the government and the social workers' are largely "neutral" in political temperament. As a result, these community organizations are in fact control organizations that instill values of self-help and ideals of "good citizen" in their beneficiaries. Even if they were willing to take on political functions, they would still be paralyzed by their meagre membership base, the undersupply of local leadership talent, and the predominant youthfulness of their membership.¹⁴

¹³ See, for example, Wong Chee-ham and Alfred Lam Chi-lai, *The Social Need of Residents in Upper Ngau Tau Kok Estate, Hong Kong* (in Chinese) (Hong Kong: Shue Yan College and Neighbourhood Advice-Action Council, 1974); C. K. Cheng, *Towards a Better Estate Welfare Building: A Survey of Social Services in Lam Tin* (Hong Kong: The Hong Kong Council of Social Service, December 1972); Leo U. Murray, *Chai Wan Social Needs Study* (Hong Kong: The Hong Kong Council of Social Service, September 1967); and Lee Ming-kwan, *Opinion Survey on Community Facilities and Social Services in Lam Tin and Sau Mau Ping Estates* (Hong Kong: Unpublished report commissioned by the Home Affairs Department, August 1978).

¹⁴ C. K. Cheng, *A Survey of Income Sources of the Member Organizations of the Hong Kong Council of Social Service* (Hong Kong: The Hong Kong Council of Social Service, May 1975); G. C. P. Riches, *Urban Community Centres and Community Development: Hong Kong and Singapore* (Hong Kong: Centre of Asian Studies, University of Hong Kong, 1973); and G. C. P. Riches, *Community Development in Hong Kong: Sau Mau Ping, A Case Study* (Hong Kong: Centre of Asian Studies, University of Hong Kong, 1973).

While locality ties are the most potentially effective basis upon which the ordinary people can be organized, controlled, and integrated into the political system in the current context, the failure to capitalize on these ties by both the government and the people themselves in the 1960s and the 1970s leaves the "intermediary vacuum" unfilled. Recently, simmerings of unrest stemming from unmet housing and locality needs were evident. To tackle the increasingly unstable political situation, the government again resorted to the administrative absorption of politics. By restructuring the local administrative apparatus through establishing a number of City District Offices headed by City District Officers (CDOs) in the late 1960s, the government hoped to fabricate new official channels of access for the common people and in due course to bridge the communication gap between itself and the governed.¹⁵ However, lacking executive power over other government departments, these "political" officers were doomed from the start as functional official intermediaries. It turned out after a number of years in operation that these administrative bodies mainly transmitted information and decisions unilaterally from the government to the people and collected information on the latter for consumption by the former. An evaluation reveals that neither functions had been well performed. As agents representing the interests of the people *within* the administration, the CDOs were patent failures.¹⁶ Lately, their importance even inside the government has been downgraded because of their recognized ineffectiveness. Lower-ranking officers are now being assigned to these postings, thus further undermining their utility. In addition, the public's limited utilization of CDO services indicates its low regard for the CDOs.¹⁷

Aside from the CDOs, two other official channels of access of imputed significance are the ward offices of the Urban Council and the Umelco Office (Office of the Unofficial Members of the Executive and Legislative Councils of Hong Kong). The former are run by the elected members (elected on an extremely limited franchise) of the Urban Council, which is responsible mainly for sanitation, sports, and cultural activities, and the provision of some urban services. The latter is deliberately set up by the government as an alternative to the stillborn ombudsman scheme. Both bodies are designed to deal with complaints and representations from the general public. In the case of the ward offices, issues lying within the domain of the Urban Council might have a chance of resolution because the Council at least has its own allotted resources for getting some kinds of things done. In the case of the Umelco Office, on the other hand, even though it is granted the right to information from the government, the right of access to government

¹⁵ *The City District Officer Scheme* (Hong Kong: Secretariat for Chinese Affairs, January 1969).

¹⁶ Ambrose Yeo-chi King, "Administrative Absorption of Politics."

¹⁷ Lau Siu-kai and Ho Kam-fai, "Social Accommodation of Politics: The Case of the Young Hong Kong Workers," *Journal of Commonwealth and Comparative Politics*, forthcoming.

officers, and the right to challenge action taken by government departments, these rights by themselves are not sufficient to enable the Umelco Office to impose its will upon government officials. Consequently, most of the positive achievements of the Office are due to the goodwill and cooperative attitude of some government officials and the non-threatening nature of the issues under review.

In general, what is evident from the figures released by the ward offices and the Umelco Office is the people's low level of utilization of services and the inability of these offices to resolve the major problems brought to them. Since its introduction on November 1, 1965, the Urban Council Ward System, with its ten ward offices, has seen an increasing volume of cases brought to its attention. The following figures represent the number of cases received in the period 1968-1978:¹⁸ 1968-2,792; 1969-3,047; 1970-6,020; 1972-8,754; 1974-8,435; 1976-11,060; and 1978-10,294.

The total number of cases brought to the attention of the elected Urban Councillors is small, indicating the ward offices' low level of salience as a means for ordinary people to solve their problems. It is not startling to find that more than half of the cases were related to housing needs, which accounted for 61.6%, 57%, 62.7%, 52.3%, and 45.3% of the total number of cases in 1970, 1972, 1974, 1976, and 1978 respectively. The balance of cases concerned problems of hawkers, markets, legal aid, police behavior, social welfare, and water supplies. What is shocking is that a predominant majority of the complaints and requests brought to the ward offices fell outside the scope of the activities, and hence the authority, of the Urban Council. In 1974, 1976, and 1978, for instance, the proportion of cases falling under the aegis of the Urban Council (meaning that the ward offices can at least take some action) were 12.1%, 14.1%, and 14.8% respectively. Needless to say, these figures reflect the ordinary person's ignorance as to the appropriate channels for lodging complaints and filing representations. But the thrust of the matter is that most of these people, who had mustered enough initiative to seek assistance, had to be sent away disillusioned.

In the words of the government, the Umelco Office was established "to promote closer relationships between the unofficial members of the two Councils and members of the public, who were invited to call at the office to put forward their views on any matter of public interest or to lodge individual complaints against Government department."¹⁹ Like the cases of the ward offices, cases related to housing and resettlement were the modal cases brought to the Office, though they usually accounted for less than half of the total number of cases, being 28% in 1970-1971, 38% in 1971-1972, 35% in 1972-1973, 35% in 1973-1974, 27% in 1974-1975, 25.5% in 1975-1976, and 23% in 1976-1977. In nu-

¹⁸ Compiled from the *Monthly Reports on the Work of the Urban Council and the Urban Services Department* (Hong Kong: The Urban Council), 1968-1978.

¹⁹ *Annual Report of the Umelco Office* (1971), p. 1.

merical terms, the volume of cases dealt with by the Office was rather small, ranging from 834 in 1970-1971 to 3,169 in 1977-1978. Again, like the ward offices, though slightly better, the proportion of Type A cases (those where the complaints were fully rectified or the clients' requests met in full) was not encouraging. The rest of the cases were either classified as Type B (those in which some degree of advice, information, explanation, or assistance was given) or Type C (those in which Umelco was unable to help because the complaint was found to be unjustified or because of action taken by the government department was in accordance with the approved prevailing policy). The proportions of Type A, Type B, and Type C cases in selected years are listed below:²⁰

Year	Percentage of Cases Completed		
	Type A	Type B	Type C
1970-71	25	46	29
1971-72	31	39	30
1972-73	29	42	29
1973-74	26	47	27
1974-75	22	57	21
1975-76	22	58	20
1976-77	21	60	19
1977-78	14	58	12

From these figures, it appears that the Umelco Office is essentially a mechanism for the transmission of official information and informal advice, falling far short of being a device for solving the problems of the ordinary person. In this sense, its self-declared mission as an intermediary between the government and people is by and large unrealized.

Understandably, besides the above-mentioned channels, other channels of interest representation are extant in Hong Kong. As enumerated by John Walden, Director of Home Affairs, they are: advisory boards and committees; informal contacts with individuals or groups through city district offices in the urban areas; petitions by individuals to the Governor or his officers; public statements; commissions of inquiry; contacts between government departments and their customers; letters to the editors of newspapers—particularly the English newspapers; ring-in programs on the radio; public affairs programs on television and radio; and green papers on public policy.²¹ Most of these channels are beyond the reach of the average person, either because of the obstacles posed by literacy and political sophistication, or because of their time-consuming nature. That the official channels of access to the government cannot function to integrate the ordinary Chinese into the po-

²⁰ Compiled from the 1970-1978 issues of the *Annual Report of the Umelco Office*.

²¹ "The Problem of Evaluating Public Opinion," *South China Morning Post* (September 25, 1979).

litical and administrative system is beyond doubt. The outcome is political apathy and cynicism among the people.²²

Nevertheless, the pressing social needs of ordinary people, the government's efforts at urban development which necessitate land resumption and resettlement of those displaced, and the growing number of people living in public housing and having direct experience with government administration, all tend to politicize Hong Kong's grass-roots. The inadequacy of the official channels of access has unleashed various kinds of small-scale collective political action against the government.

Collective political actions stemming from the politicization of needs (primarily housing and environmental) have several noticeable features. First, they involve only loose and ad hoc organizations. In most cases activist organizations are formed from scratch to press for specific benefits and will be dissipated after these have been obtained. Only in rare cases (like Tai Hang Tung) have these organizations been institutionalized as permanent interest groupings. Second, these small-scale collective participations by ordinary people normally seek concrete, often single-shot benefits from the government and are usually spurred by a threat to common interests from the government. Third, the tactics adopted by these small-scale collective actions are mainly petitions and publicity campaigns (press meetings, hoisting banners and big-character posters, demonstrations, sit-ins, collection of signatures, etc.) In general, these actions are essentially deferential and nonthreatening to the government. Nonetheless, the constant resort to exotic gimmicks and the inclusion of a quantum of confrontational posture by the participants do not fail to attract widespread attention in a compact society like Hong Kong. In any case, they tend to put the administration in an embarrassing situation. Fourth, leadership in these actions mostly comes from the outside because of its paucity among the ordinary people. Activist organizations are a favorite target for assistance from middle-class intellectuals, community workers, charitable or religious bodies, and foreign benefactors. Fifth, these actions frequently bypass the government's hierarchical structure and bring the matter directly to top-level officials. Hence, the Governor of Hong Kong and some heads of departments (notably the Secretary and Director of Housing) are the favorite targets of appeal.

Finally, demand-making by the ordinary people is primarily an attempt to influence the government decision-making process only on the *output* (policy-implementation) side. Being unconcerned with general policy issues, the movements are not anti-system. In fact, in the words of Huntington and Nelson, under some conditions (like those obtained in Hong Kong) they may even be system-supportive:

²² Ambrose Yeo-chi King, *The Political Culture of Kwun Tong: A Chinese Community in Hong Kong* (Hong Kong: Social Research Centre Occasional Paper, The Chinese University of Hong Kong, June 1972), and Lau Siu-kai, "Utilitarianistic Familism."

But unless the aggregate volume of individual or small-group demands by the poor is very high, such participation is not likely to significantly affect the broader political system, either in terms of the allocation of public resources and priorities, or in terms of the distribution of power. A system where most low-income participation is confined to contacting or small-interest groups operates to maintain the status quo. Pressures that might otherwise take a collective form, and be directed to earlier stages of policy formation or to the composition of the government itself, are diverted into discrete, separable and small demands, which can be met, in full or in part, or rejected one by one.²³

Up to the present moment, political actions are still too sporadic, too transitory, and too small in scale to pose any serious threat to the administrative apparatus. Nevertheless, their appearance and the attention they have drawn from the general public create political problems for the government and generate serious administrative overload. In a time when the government is sincerely attempting to present a favorable image of itself, such actions from the ordinary people have to be forestalled as far and as soon as possible.

In 1965, the *Wah Kiu Yat Po* recorded 12 cases of political action of this kind, which increased to 33 in 1976, 33 in 1977, and 24 in 1978. What is ominous here is not their number, which is small, but their general acceptability to the general public as an effective tactic of political influence. Without viable intermediate organizations, especially local organizations, it is extremely difficult for the government to control or co-opt political movements which are scattered, sporadic, and volatile in nature.

Government Response: Further Administrative Penetration

The erosion of the layer of intermediate organizations, the expansion of the government's service-delivery system, and the ineffectiveness of official channels of access to integrate the lower orders into the political system are conducive to the rise of unconventional and "anomic" forms of political demand-making by the ordinary people, whose well-being is increasingly tied to government policies. In such a context, politicization of social needs is unavoidable. To the government, in its effort to maintain political peace, two options are available. One of these is to resuscitate social organizations among the ordinary people, while the other is further administrative penetration.

Efforts directed to the resuscitation of social organizations in the current setting inevitably have to include a large degree of administrative decentralization and government delegation of both resources (financial and physical) and authority to a multitude of relatively au-

²³ Samuel P. Huntington and Joan M. Nelson, *No Easy Choice: Political Participation in Developing Countries* (Cambridge, Mass.: Harvard University Press, 1977), p. 146.

onomous social groups. The result will be a large number of "private governments" at the grass-roots level, each of which is put in charge of catering to the day-to-day needs of the people under its jurisdiction. In the current "intermediary vacuum," such an approach will have to involve a lot of initiative from the government's side both to mobilize local efforts at organization and to construct a network of linkages between the government and these groups.

To maintain political peace through the alternative of further administrative penetration will, in an ideal sense, necessitate a large-scale expansion and reorganization of the government bureaucracy. This enlarged bureaucracy will then directly organize the ordinary people and incorporate these officially sanctioned and controlled grass-roots organizations into the administrative apparatus. Local leaders thus created or fostered will then serve as quasi-governmental officials. Organizations not subscribing to this format will be disallowed. To implement such a strategy successfully, it is crucial that coercive means in society be concentrated in the hands of the government, which would be prepared to apply such means when deemed necessary. The result of penetration is an administrative society tightly controlled from the top.²⁴

What the government has opted to do so far is a half-hearted pursuit of the latter alternative. Government officials are patently distrustful of strong local organizations, which might be infiltrated by anti-system and criminal elements. Their unwillingness to allow political consideration to infringe upon the supposedly efficiency-oriented administrative process makes substantial administrative and political decentralization impossible. In the mid-1970s, the government did begin to initiate local organizations in the form of Mutual Aid Committees (MACs) in high-rise buildings. In terms of sheer numbers, the success of the government at organizing the ordinary people is impressive. By the end of 1973, the year the Mutual Aid Committee Scheme was launched, a total of 1,214 MACs with a total household membership of some 110,380 had been set up in various buildings and residential groups. The respective numbers increased to 1,636 and 188,022 at the end of 1974, and 2,061 and 266,601 at the end of March 1976.²⁵

This miraculous proliferation of MACs took place at the expense of constructing the necessary conditions for organizational vitality, notably in areas of management and resource deployment. The functions allotted to the MACs by the government were few. The MACs were mainly responsible for promoting the spirit of neighborly cooperation in the management of multistory buildings and for enabling owners and tenants to work together to improve building security and cleanliness. The MACs were granted few resources and little authority by the

²⁴ See, for example, Wayne A. Cornelius, *Politics and the Migrant Poor in Mexico City* (Stanford, Calif.: Stanford University Press, 1975) and David Collier, *Squatters and Oligarchs* (Baltimore, Md.: The Johns Hopkins University Press, 1976).

²⁵ Data are compiled from the *Annual Reports by the Secretary for Home Affairs*.

government, which was determined to restrict their functions and organizational scale. Consequently, mergers and the formation of federations among MACs were prohibited, and their potential effectiveness as community organizations were seriously constrained.²⁶ Operating under such restrictive conditions, it is small wonder that the MACs failed to earn the support and participation of their members and constituencies.

Sponsored and controlled by the government, and lacking a mass base, the MACs cannot be considered as effective community organizations performing service delivery and political integrative functions. The promotion of the MAC movement, while reflecting the importance the government attaches to voluntary organizations, is in the main a kind of effort at administrative penetration. Judging from current results, however, this penetrative attempt is far from successful.

Another form of administrative penetration gradually took shape in the late 1970s and culminated in the publication of a Green Paper in June 1980 that proposed a reform of local administration. The thrust of this proposed reform is *administrative deconcentration*, under which representatives of government departments will be posted in the localities and their activities coordinated at the local level through management committees composed of officials. While no independent decision-making power or financial base will be granted to these local representatives, such administrative arrangements can still be expected to contribute to an improvement of administrative performance through the exposure of these representatives to local opinions and needs. However, with the erosion of the intermediate organizations and the ineffectiveness of the MACs, the increase in administrative performance stemming from additional feedback must be minimal. The Green Paper of 1980 also proposes the establishment of District Boards, which will include government officials and unofficial members appointed from community organizations and other "active" bodies. Under this new system of local administration, the Urban Council, as an urban area-wide body, will be so restructured that its elected members will be voted into office by an adult franchise on a district basis.²⁷

Since most of these reforms have not been implemented, it is difficult for us here to predict their effectiveness in depoliticizing the ordinary people of Hong Kong and in integrating them into the political system. Even though the government has so far only characterized the goal of these contemplated reforms explicitly as the enhancement of administrative efficiency, it is hard to believe that no political considerations have entered into the formulation of the reform plans. The impact of administrative penetration on political peace, whether as intended or not, can still be surmised, based on our analysis of Hong Kong society.

²⁶ Norman Miners, *The Government and Politics of Hong Kong* (Hong Kong: Oxford University Press, 1977), p. 172.

²⁷ *Green Paper: A Pattern of District Administration in Hong Kong* (Hong Kong: Government Printer, 1980).

Politicization or Depoliticization

We have documented two coexistent processes in Hong Kong which have led to changes in the interaction patterns between the government and the ordinary people. One process is the depletion of voluntarism, resulting in the decline of intermediate organizations with traditionalistic outlooks, and the failure to supplant them with modernist forms of intermediate organizations, especially locality organizations. The other process is the increasing assumption of service-delivery roles and functions by the government, which turns it into the major dispenser of benefits in society. The main political outcomes of these processes are the politicization of social needs and the structural necessity of the ordinary people to approach the government for need satisfaction. The inability of the defunct intermediate organizations, which are used to being politically docile and deferential, to moderate these demands and to accommodate them within the social sector (so that they will not plague the political sector) has unleashed political demand which overloads the politico-administrative apparatus. Because the government has opted not to delegate resources and authority to society through nurturing indigenous social organizations and political decentralization, direct interaction between the government and the people without the mediating services of intermediate social groups is the natural outcome. Concomitant with increasing direct political contacts between the two parties is growing indiscipline on the part of the groups engaged in demand-making. In such a situation, the government has turned itself into a merely *reactive* mechanism, not being able to direct grass-roots politics in accordance with its preference.

The government might be correct in deciding that it is politically and financially costly to resuscitate social organizations and to decentralize politically. In our opinion, this option is costly *only* in the short-run and in the long-run will be less expensive than the option of further administrative penetration now undertaken by the government. Our argument hinges upon an expectation that, once a viable social infrastructure has been built, it will generate a momentum of its own to provide more and more social initiative and resources to meet social needs. With the contributions of social resources, administrative overload can be alleviated. The insertion of an intermediate layer between the government and the people will necessarily be depoliticizing because it is comparatively easier to coopt a limited number of local leaders into the political process than to control a huge, unruly mass of people. Political and administrative control will thus be augmented by social control. However, long-term solutions of this kind may not appeal to the administration's limited time span. While a short-term panacea is looked for, further administrative penetration is the automatic choice.

The strategy of further administrative penetration as envisaged by the government is, in our opinion, only a lukewarm and hence ineffective attempt at depoliticization and political integration of the ordinary people. The government simply lacks the coercive means and the will

to fabricate a total administrative society. As a result, the penetrative effort, though executed, does not go far enough to reach the grass-roots level. The proposed reforms in local administration, though enlarging the political arena so that more people can participate in the decision-making process, will only benefit the middle strata. The lower strata, without organizations and leaders of their own, will still be politically deprived. The introduction of adult franchise will not affect our prediction. With only limited functions, the Urban Councillors will not be able to satisfy the needs of the disadvantaged. The Urban Council election will still not be attractive enough to the ordinary folk. That the institution of elections is no guarantee of political integration of the lower strata is a lesson well borne out in the history of many developing countries.

Administrative penetration in Hong Kong, while not going far enough, does have the "negative" effect of bringing the government and the people closer to each other, thus further politicizing the latter. The presence of government representatives in the localities provides convenient targets for political demand-making. And the denial of discretionary power to local representatives will very easily transform local issues into global political disputes.

The ambivalence of the government toward both intermediate organizations and administrative decentralization has created a very fluid political arena in Hong Kong. Notably, the government is straddling both control and integrative approaches with respect to the ordinary people. Such conflicting goals and their corresponding policy formations are detrimental to political peace, at least in the short run, which might actually be long.

If, as Ambrose King has argued, administrative absorption of politics has been successful in depoliticizing Hong Kong in the past, that "past" must have seen a viable social infrastructure which was capable of containing political demands. Events in the last decade and a half have exposed the limitations of this strategy. Given the limited capability of the political and administrative system, administrative absorption of politics can only be achieved when social accommodation of politics has done its job, so that only a small number of issues are allowed to trickle through into the administrative and political realm. With the gradual collapse of social accommodation of politics, changes in the political strategy of the Hong Kong government can no longer be procrastinated.

PROVINCIAL VIOLENCE IN POSTREVOLUTIONARY CHINA: A QUANTITATIVE STUDY

David Kowalewski*

POLITICAL VIOLENCE has long been a significant dimension of Chinese history. Peasant rebellions, warlordism, labor unrest, and revolution are woven deeply into the fabric of the ancient and modern Chinese prerevolutionary polity. One therefore has little reason to suspect that violent political events are missing from the pages of postrevolutionary Chinese history, particularly since Mao Zedong and his radical followers justified postrevolutionary political violence—from above and below—on historical and ideological grounds.

Our knowledge of the extent, distribution, and determinants of postrevolutionary political violence in China, however, is limited. Although specialized spatial studies of the political violence occurring during the Great Proletarian Cultural Revolution (GPCR) exist,¹ thorough studies of the entire postrevolutionary period are clearly needed.

Thus an examination of political violence in China's twenty-nine provincial-level units (twenty-one provinces, five autonomous regions, and three centrally administered cities) might prove useful. The Chinese province is a highly salient political unit in China. The country's rugged terrain combined with underdeveloped communication and transportation networks has made central control over provincial political behavior difficult. Indeed, the relative autonomy from Beijing

* I wish to thank Henry Vogel for his assistance in gathering indicators of GPCR violence.

¹ See Richard Baum, "The Cultural Revolution in the Countryside," in Thomas Robinson (ed.), *The Cultural Revolution in China* (Berkeley: University of California Press, 1971).

that China's provinces enjoy prompted one observer to claim that there are not one but twenty-nine Chinas.²

Procedure

To determine the structure of political violence in postrevolutionary China, a sample of violent events was gathered from a variety of sources. The 1949–1955 time period was eliminated in order to avoid including violent events carrying over from the 1949 revolution. Given the relative tranquility of the 1956–1966 period, and in order to reduce research costs, a single measure of provincial violence—the presence or absence of a major popular revolt—was drawn from Teiwes' study of provincial Chinese politics.³

Given the chaos of the GPCR in 1966–1968, however, and persisting violence thereafter in 1969–1978, more sophisticated measures were deemed necessary for these two time segments. Four major global data sources—*Facts on File*, *London Times*, *Keesing's Contemporary Archives*, and *New York Times Index*—were surveyed for indicators of political violence in China's provinces since at least one study has shown that a single global source is inadequate for delineating the structure of Chinese politics.⁴ Further, since the frequency and severity of political violence must be distinguished, counts of incidents as well as casualties (wounded and killed) were coded separately. Incidents were selected only if both the precise date and the number killed and wounded were recorded. Care was taken to detect separate reports of the same event in the same source, which occasionally were filed during violent crisis periods when "wrap-up" stories appeared, as well as between sources, in order to avoid coding the same event more than once. The absolute number of incidents for each province was coded. However, since absolute counts of casualties are inappropriate for comparisons among geographical units, proportional measures were utilized. Thus scores for the number killed and wounded were divided by millions of provincial residents in order to control for population. Since number killed per million population and number wounded per million population both tap an intensity or severity dimension of political violence, the two were added to form a casualty total for the province. Number of incidents, however, reflects an extent dimension. The two distinct di-

² John Simmonds, "The New Gun-Barrel Elite," in William Whitson (ed), *The Military and Political Power in China in the 1970s* (New York: Praeger, 1972), p. 94.

³ Frederick Teiwes, *Provincial Party Personnel in Mainland China* (New York: East Asian Institute Occasional Papers, Columbia University, 1967), pp. 38–39. Data for the GPCR period were collected beginning with July 1966. Care was taken lest the GPCR figures overlap with Teiwes' non-GPCR data.

⁴ G. Hoggard, "Comparison of Reporting for the New York Times Index, Asian Recorder, and Deadline Data: Chinese Interactions, January through October, 1962," cited in Leo Hazlewood and Gerald West, "Bivariate Associations, Factor Structures, and Substantive Impact: The Source Coverage Problem Revisited," *International Studies Quarterly*, 18:3 (September 1974), pp. 317–339.

mensions were multiplied to form a raw magnitude-of-violence score for each province.⁵ However, as is often the case for indicators of political violence, the raw scores showed a very skewed distribution. It is frequently suggested that raw counts be converted to transformed values to obtain a more symmetric distribution and thus reduce the possibility of outlier bias. Dividing the Median-minus-Lower-Quartile by the Upper-Quartile-minus-Lower-Quartile for the 1966-1968 data yields a skewness score of .164 where symmetry is .500.⁶ Transformation of the Lower and Upper Quartiles as well as the Median by square roots, natural logarithms, and reciprocals (see Table 1) indicates that logged values best approach symmetry. Logged values for both the 1966-1968 and 1969-1978 periods were then multiplied by 10 for more convenient representation.

TABLE 1: Skewness Scores for 1966-68 Violence Data

	Q lower	Median	Q upper	Skewness
Raw	9.000	168.000	981.000	0.164
Square Root	3.000	13.000	31.300	0.353
Log _e	0.954	2.230	2.990	0.624
Reciprocal	0.111	0.006	0.001	0.955

Although the chaos of the GPCR warns the researcher of the problem of measurement error, tests indicate that the data are sufficiently accurate. First, one can examine whether figures correspond to data generated by other researchers. Richard Baum analyzed and reported the first incidents of rural violence during the GPCR. Although the present figures reflect both rural *and* urban violence, Baum found that rural violence varied directly with the area's proximity to urban centers.⁷ Thus the two data sets seem roughly comparable. Pearsonian correlation of incident totals for the present sample with Baum's data yields a strongly positive coefficient of .70.

A second test deals with three potential sources of measurement error. First, given the increasingly strained relations between the People's Republic of China (PRC) and the Soviet Union, reportage of violence might be suppressed in provinces bordering the USSR so as not to encourage possible Soviet incursions into Chinese territory. Reportage was particularly poor in Inner Mongolia, for example, a province which has faced a large Soviet troop buildup in Outer Mongolia. Second, since Western data depended heavily on Beijing wall posters and official reports and the communication network in China was poor,

⁵ An exception was made in the case of Inner Mongolia, where virtually no casualty figures were recorded. Hence values for casualties were assigned equivalent to the province with the same number of incidents for each time segment. See Ted Robert Gurr, *Polimetrics: An Introduction to Quantitative Macropolitics* (Englewood Cliffs, N.J.: Prentice-Hall, 1972).

⁶ See Donald McNeil, *Interactive Data Analysis* (New York: John Wiley, 1977).

⁷ *Ibid.*, p. 467.

we might expect that information would vary inversely with distance from Beijing. Finally, Western data were heavily dependent on reports from refugees and broadcasts from western border provinces. Thus one might suspect that provinces forming China's western border would yield more violence data than inland provinces. These three potential sources of measurement error were combined into an additive Measurement Reliability Scale. If severe measurement error exists in the data, we should expect strongly positive correlations between the Reliability Scale and violence magnitude scores for three periods. Such, however, is not the case (r 's = $-.57$ for 1956-1966, $-.26$ for 1966-1968, and $.05$ for 1969-1978). Hence our confidence in the accuracy of the violence scales is greatly enhanced.

Summary scores for 1966-1968 and 1969-1978 segments are presented in Table 2. It can be seen that the least violent provinces during

TABLE 2: Magnitude of Provincial Violence Scores

Province ^a	1966-68 ^b	1969-78 ^c
Tianjin	6.93	0.10
Ningxia	6.93	0.00
Guizhou	17.92	0.18
Shandong	17.92	0.01
Fujian	20.79	1.97
Jilin	20.79	0.00
Shanxi	21.97	1.72
Anhui	35.53	0.00
Jiangxi	35.55	36.50
Shaanxi	35.84	0.00
Hunan	40.25	0.30
Liaoning	42.77	0.00
Xinjiang	44.43	0.00
Zhejiang	48.71	1.36
Hebei	51.24	24.16
Jiangsu	51.65	1.34
Heilongjiang	57.20	0.00
Henan	57.68	7.13
Yunnan	57.99	12.98
Shanghai	61.57	0.01
Inner Mongolia	62.23	0.00
Guangxi	67.89	0.00
Hubei	68.89	4.95
Gansu	70.90	0.00
Beijing	74.91	42.28
Sichuan	75.95	21.56
Guangdong	79.52	0.00
Tibet	83.29	0.00
Qinghai	87.80	0.00

^a 10 [$\log_e$ (Incidents [Killed/Million Population + Wounded/Million Population])]

^b Mean = 48.45; standard error = 4.37; standard deviation = 23.35; range = 6.93 to 87.80. Mean incidents = 6.76; mean wounded = 65.48; mean killed = 36.72.

^c Mean = 5.40; standard error = 2.10; standard deviation = 11.30; range = 0.00 to 42.28. Mean incidents = 1.45; mean wounded = 13.90; mean killed = 9.41.

the GPCR were Tianjin, Ningxia, Guizhou, and Shandong, while Sichuan, Guangdong, Tibet, and Qinghai emerged as the most violent. For 1969–1978, Anhui, Shenxi, Lianoning, Xinjiang, Heilongjiang, Inner Mongolia, Guangxi, Guangdong, Tibet, and Qinghai experienced no violent events, while Jiangxi, Hebei, Beijing, and Sichuan were very disorderly. Further, it is apparent that violence during the two and a half years of the GPCR was much greater than during the entire decade thereafter. The provincial mean of the violence magnitude scale was 48.45 in 1966–1968 but only 5.40 in 1969–1978. In terms of yearly averages, the first period proved to be roughly forty times more violent. The GPCR was more violent in terms of number wounded (provincial mean = 65.48 vs. 13.90). In addition, while reportedly no province escaped disruptive events in 1966–1968, almost half (13) did so in 1969–1978.

Yearly characteristics of political violence in the two periods are presented in Table 3. Certainly the GPCR was an intensely disruptive era, when political violence reached unprecedented proportions in post-revolutionary China. Clearly 1967 emerged as the most violent year in the GPCR in terms of all three indicators; 1967 also occupies first place when injuries-per-incident and deaths-per-incident are considered. Surprisingly, however, 1968 proved somewhat more violent than expected. Not only were more deaths per incident recorded than in 1966, but the ratio of deaths to injuries—approximately eight to one—was also the highest of the GPCR period. Although certainly the frequency of provincial violence tailed off in 1968, when incidents did occur political deaths were more likely than injuries. Seemingly the political authorities, particularly the People's Liberation Army (PLA), carried out their desire to restore order quickly with some gusto.

TABLE 3: Temporal Characteristics By Year

Year	Incidents	Injuries	1966–68			
			Deaths	Injuries/ Incident	Deaths/ Incident	Deaths/ Injuries
1966	34	2990	84	87.9	2.5	0.03
1967	118	23331	7703	197.7	65.3	0.33
1968	42	238	1800	5.7	42.9	7.60
Total	194	26559	9587	136.9	49.4	0.36
Year	Incidents	Injuries	1969–78			
			Deaths	Injuries/ Incident	Deaths/ Incident	Deaths/ Injuries
1969	0	0	0	—	—	—
1970	0	0	0	—	—	—
1971	1 ^a	1	0	—	—	—
1972	0	0	0	—	—	—
1973	0	0	0	—	—	—
1974	5	11	203	2.2	40.6	18.50
1975	4	5	0	1.3	0.0	0.00
1976	25	264	10	10.6	0.4	0.00
1977	7	123	62	17.6	8.9	0.50
1978	0	0	0	—	—	—
Total	42	404	275	9.6	6.6	0.68

^a Too few cases for meaningful analysis.

China's provinces remained almost completely quiet from 1969 until 1974, when labor and peasant unrest became evident. In 1976 relatively fierce struggles between supporters of the Gang of Four and the more conservative leadership broke out and continued throughout 1977. By 1978, however, calm was again restored. In 1969–1978 the ratio of deaths to injuries was almost twice (0.68) that of 1966–1968 (0.36), so although the total magnitude of violence in the period after the GPCR was much less, the battles that did break out were especially intense.

In Table 4 the monthly figures for the two periods are presented. As is commonly found in studies of popular political unrest, in both periods the spring and summer months emerged as especially disruptive. In 1966–1968, for example, the average monthly frequency of incidents in April–July was twice (25) that for the other eight months (12). It appears that political grievances, submerged in the winter months, erupt when better weather facilitates displays of political dissatisfaction in the public arena.

TABLE 4: Temporal Characteristics By Month

Month	Incidents	Injuries	1966–68			
			Deaths	Injuries/ Incident	Deaths/ Incident	Deaths/ Injuries
January	27	1444	485	53.5	18.0	0.34
February	19	2440	942	128.4	49.6	0.39
March	7	80	922	11.4	131.7	11.53
April	34	5090	1466	149.7	43.1	0.29
May	19	9677	1463	509.3	77.0	0.15
June	14	3275	1887	233.9	134.8	0.58
July	32	1604	1880	50.1	58.8	1.17
August	19	63	478	3.3	25.2	7.59
September	8	1490	12	186.3	1.5	0.01
October	1 ^a	400	0	—	—	—
November	4	75	0	18.8	0.0	0.00
December	10	921	52	92.1	5.2	0.06
Total	194	26559	9587	136.9	49.4	0.36
1969–78						
January	7	123	62	17.6	8.9	0.51
February	0	0	0	0.0	0.0	0.00
March	1 ^a	1	0	—	—	—
April	8	214	4	26.8	0.5	0.02
May	3	2	0	0.7	0.0	0.00
June	4	10	202	2.5	50.5	20.20
July	5	6	0	1.2	0.0	0.00
August	2	11	0	5.5	0.0	0.00
September	0	0	0	0.0	0.0	0.00
October	7	22	6	3.1	0.9	0.27
November	3	12	0	4.0	0.0	0.00
December	2	3	1	1.5	0.5	0.33
Total	42	404	275	9.6	6.6	0.68

^a Too few cases for meaningful analysis.

Determinants of Provincial Violence

From Table 1 it is evident that certain of China's provinces were more violent than others in both periods. What provincial characteristics might account for these differences in the two eras? From numerous cross-national studies of popular disorders, a number of hypotheses might be advanced. While the danger of applying macro-level findings to lower-level units is certainly recognized, the studies might provide important clues to relevant variables which may account for differences in violence across provinces. Indeed, at least one researcher found that relationships concerning domestic violence at the national level also hold true in 65 Latin American provinces.⁸

From macro-level studies certain demographic, subcultural, institutional, and coercive factors are shown as possibly important determinants of political violence. Moreover, since we are dealing with politics in China's provinces, and since the dynamic tension between centripetal and centrifugal forces has periodically been a factor in politics throughout China's history, a number of variables salient in center-periphery relations may also prove to be relevant.

At least two demographic variables seem important: population and presence of a large ethnic minority. Some empirical research has suggested a significant relationship between the size of population and the magnitude of violence in a region.⁹ Seemingly the greater the population, the higher the level of pressure on scarce resources and thus the greater the competition—and thus political conflict—over public and private goods. Studies have also shown that states having within their boundaries a large non-dominant ethnic group tend to experience greater political violence.¹⁰ Discrimination, segregation, forcible assimilation—or some combination thereof—appear to create conditions in which non-dominant ethnic groups frequently resort to unconventional disruptive political tactics to effect a reallocation of resources.

Subcultural factors may also play a role. Certain regions are known to display a "subculture of violence." In these areas violence has become "habit-forming" or "violence has tended to breed violence." Hackney discovered that the American South has such a tradition independent of its industrialization, class structure, racial composition, or other factors.¹¹ In regions experiencing intense physical political conflict, both diffuse and specific socialization mechanisms tend to pass on justifications for violence to future generations. Not only does it appear that

⁸ Douglas Bwy, "Dimensions of Social Conflict in Latin America," in Don Bowen and Louis Masotti, *Riots and Rebellions* (Beverly Hills, Calif.: Sage, 1968).

⁹ John Booth, "Rural Violence in Columbia," *Western Political Quarterly*, 27:4 (December 1974).

¹⁰ Ted Robert Gurr and Charles Ruttenger, *Cross-National Studies of Civil Violence* (Washington, D.C.: American University Center for Research in Social Systems, 1969), p. 17.

¹¹ Sheldon Hackney, "Southern Violence," in Hugh Graham and Ted Robert Gurr (eds.), *Violence in America* (New York: Bantam, 1970).

violence becomes a diffuse or informal social norm in a locality, but family, school, and other socialization agents are also likely to pass on the norm formally. Well-known victors in violence are held up as heroes for the group and well-known victims are lauded as martyrs. This kind of socialization seems particularly applicable in a culture as gerontocratic as China's. Violence may make political cleavages even deeper and thus attempts at conflict resolution more difficult. Moreover, since violence may have worked in the past to provide public and private goods for the group, a utilitarian justification may become prominent. Also fear of the enemy who used violence against the group in the past can provoke preemptive attacks or "aggressive defense" and therefore present and future violence. Thus experiences of violence in the past can create expectations of present and future violence. These expectations, finally, would seem to be reinforced by Marxism-Leninism-Mao Zedong Thought, which justifies violence as both an historical necessity and a revolutionary duty. Hence we might expect that those provinces experiencing a major revolt in 1956-1966 would also have higher levels of violence in the subsequent two periods and that levels of violence in the GPCR would influence levels in 1969-1978.

One might also hypothesize that China's southern provinces form a distinctly violent subculture. References to the south as an "incubator of revolution," to "hotheaded Cantonese," and to the south's strategic role in raising the flag of rebellion in China are sprinkled throughout commentaries on China. This tradition has been attributed to the influx of Westerners who brought ideas incompatible with Confucianism; heavy immigration from the north, often of non-Han Chinese, which caused ethnic fragmentation; population pressure on the land and food supply; and the tradition of anti-dynastic secret societies.

Institutional variables have also been deemed important. The strength of unions, executive stability, and other indicators of institutionalization have been shown to be negatively related to political violence. Institutionalization implies greater citizen integration and therefore less alienation and violence. Thus one might hypothesize that in Chinese provinces where peasants have been easily and extensively organized into rural institutions, violence would be less prevalent. Further, since literacy, school attendance, and the presence of educational institutions have been shown to relate negatively to political violence, provinces with fewer universities may experience more political disruption. Also urbanization, which frequently tends to integrate a region's population into a wide number of associations, should be inversely related to political violence. Since industrialization seems likely not only to create economic satisfaction by means of consumer goods and lower unemployment but also to integrate large numbers of citizens into a relatively small number of economic institutions, violence might be less in China's industrial provinces.

Where political parties are strong, vital, and stable, violence tends to be less frequent, so provinces in which the Chinese political leader-

ship experienced a high level of instability should be more violent. Similarly, where old party cadres were likely to return to their party committees after the GPCR, we have some indication of a relatively high level of provincial party institutionalization and presumably a lower level of violence in the 1969–1978 period. Thus if certain provinces experienced a high percentage of insiders elected to post-GPCR party committees, their level of political disruption should be lower than that of other provinces. Moreover, if the new provincial party committees possessed a formal second secretary, we might suspect a lower degree of party control over the provincial polity and therefore greater contention, the need for compromise through selection of a second secretary, and thereby greater post-GPCR violence.¹²

Coercive variables also seem important. Although empirical findings are mixed, recent research suggests that a high level of coercive strength, particularly on the part of the military, does not necessarily imply a lower level of political instability. Certainly “officers are . . . much . . . concerned that a disorderly politics may get out of hand, requiring that they demean themselves as policemen.” Yet the performance of the military in effectively carrying out domestic peacekeeping chores seems less than perfect:

In actuality . . . the praetorians’ record in preventing the disintegration of their societies along communal lines is a poor one. Military governments . . . have usually been . . . unable to contain the severity of these conflicts. They have generally exacerbated them, sometimes bringing about an explosive outcome.¹³

Indeed, in their study of 119 countries, Gurr and Ruttenberg found that the greater the proportion of military personnel in the population, the higher the magnitude of violence.¹⁴ Thus we might expect provinces with greater military influence to be even more violence prone than others. Specifically, where provincial revolutionary committees and new party committees had a large proportion of military personnel as secretaries, deputy secretaries, chairman, vice-chairmen, and standing committee members, and where provincial military officers were non-Maoist in orientation and participated extensively in setting up the new institutions, violence may be somewhat more frequent and intense.

Finally, provinces may be so situated geographically or politically in relation to Beijing that violence might be facilitated. Provinces containing a poor railway network and located far from Beijing should be

¹² On the foregoing hypotheses, see Ted Robert Gurr and Charles Ruttenberg, “Conditions of Civil Violence,” in Robert Gillespie and Betty Nesvold (eds.), *Macro-Quantitative Analysis: Conflict, Development, and Democracy* (Beverly Hills, Calif.: Sage, 1971), pp. 87–216; Earl Backman and David Finlay, “Student Protest: A Cross-National Study,” *Youth and Society*, 5:1 (September 1973), pp. 3–46; and Gurr and Ruttenberg, *Cross-National Studies*, p. 17.

¹³ Eric Nordlinger, *Soldiers in Politics* (Engelwood Cliffs, N.J.: Prentice-Hall, 1977), pp. 55 and 151.

¹⁴ Gurr and Ruttenberg, “Conditions.”

much more difficult to control and violence therefore more likely to get out of hand. Also provinces where military units belong to the Fourth Field Army (FA) should have a lower level of GPCR violence. As former head of the Fourth FA and major central leader of the GPCR, Lin Biao may have facilitated radical takeovers without a great deal of violence through his control of political resources from the center. Such provinces should also have a lower degree of post-GPCR violence—but for different reasons. The fall of Lin and the widespread purge of his followers would leave provinces belonging within the Fourth FA system and having a high proportion of party secretaries associated with the Fourth FA in 1971, especially their radicals, particularly weak and demoralized and thus less likely to carry out extensive violence.

Findings

The determinants of provincial-level violence for the two periods are listed in Tables 5 and 6. Pearsonian correlations of .20 or above are taken as worthy of note. The pattern of findings for GPCR violence reveals that at least one variable in each of the general categories has a substantial impact. Clearly the causes of GPCR violence are many and varied; no single factor accounts for differentials in provincial disruption. Provinces with a large ethnic minority had somewhat greater violence. Especially good predictors proved to be subcultural variables (major revolt in 1956–1966 and southern location). The GPCR was apparently a less sharp break with China's past than conventionally imagined.

However, institutional variables were especially poor determinants. Conceivably the GPCR broke down institutional structure throughout all of China to such an extent that our static indicators were invalid for this period. Yet one measure, rural institutionalization, as expected correlated negatively with provincial violence. Provinces in which the peasantry was more incorporated into countryside organizations apparently had a rather significant institutional cushion against violence. Indeed, since the GPCR was concentrated in the cities or in areas surrounding large cities even when it did spill over into the countryside, rural institutions were less likely to be broken down by radical attacks and could more readily resist violence when the threat arrived.¹⁵

Of special importance to, and indeed the best predictor of, GPCR violence was the percentage of 1966 provincial party secretaries who held military positions. Provinces with heavy military influence were *more* violent than less military ones. Conflict between radicals and military during the GPCR was not merely extensive but also extremely bloody. In attempting to preserve order, the military created a good deal of disorder as well. The sources at times reported the use of heavy

¹⁵ Baum, "Cultural Revolution."

TABLE 5: Determinants of Violence, 1966-1968

	Incidents	Wounded	Deaths	Magnitude
Demographic				
Population ^a	.24	-.20	-.29	.09
Ethnic Minority ^b	-.04	.27	.33	.20
Subcultural				
Past Revolt ^c	.04	.42	.43	.49
Southern Location ^d	.25	-.17	.15	.23
Institutional				
Percent Villages in Rural APCs ^e	-.12	-.23	-.25	-.28
Universities ^f	.42	-.17	-.30	.14
Urbanization ^g	.20	-.12	-.31	.06
Industrialization ^h	.13	-.15	-.21	.03
Political Instability ⁱ	-.08	.24	-.13	-.01
Coercive				
Military Influence in Party ^j	.18	.21	.39	.51
Central-Peripheral				
Railroads ^k	-.08	-.21	.25	-.02
Distance from Beijing ^l	.21	.09	.36	.33
Fourth FA Military ^m	.26	-.12	-.06	.07

SOURCES: Frederick Teiwes, *Provincial Party Personnel in Mainland China* (New York: East Asian Institute Occasional Papers, Columbia University, 1967), pp. 38-39; "Directory of Colleges and Universities," in *Random House Dictionary of the English Language* (New York: Random House, 1967), p. 1962; Yuan-li Wu, *The Spatial Economy of Communist China* (New York: Praeger, 1967), pp. 137 and 209-212; John Emerson, Robert Field, and Nicholas Lardy, "Industrial Output by Province in China," *China Quarterly*, no. 63 (September 1975), p. 422; George Sung, "China's Regional Politics," *Asian Survey*, 15:4 (April 1975), p. 362.

^a Population in millions.

^b Large minority area and/or share of population.

^c Major popular revolt in 1956-66.

^d Location below thirty-fifth parallel.

^e In summer 1956 (APC = Agricultural Production Cooperatives).

^f Number of major universities.

^g Number of cities with populations over 100,000 in 1953 or mid-1958.

^h Reported and established gross value of industrial output in 1957 in millions of yuan in 1952 constant prices.

ⁱ Rank order of stability based on size of core group with continuous service since 1956-57; size of core group in 1958-64; total number of additions and removals of secretaries in 1956-66; number of purges in 1956-66; number of secretaries purged in 1956-66; and number of department leaders purged in 1956-66.

^j Percent provincial party secretaries military personnel in 1966.

^k Kilometers per one thousand square kilometers of railroad route length of operating railways in 1963.

^l Distance of provincial capital from Beijing in hundreds of kilometers.

^m Provincial military units belonging to Fourth Field Army.

weaponry such as anti-aircraft guns against the radicals. Perhaps less than surprising, therefore, is the correlation of military influence with numbers killed (.39). Provinces in which the military was especially influential in civilian political structures proved particularly inept at conflict management.

Only one center-periphery variable—distance from Beijing—proved

TABLE 6: Determinants of Violence, 1969-1978

	Incidents	Wounded	Deaths	Magnitude
Demographic				
Population	.44	.09	.09	.16
Ethnic Minority	-.20	-.07	-.10	-.16
Subcultural				
Past Revolt	.13	.08	.00	.03
Southern Location	.40	-.05	.23	.05
GPCR Violence				
Incidents	.02	.33	.01	
Wounded	-.11	.06	-.05	
Deaths	-.22	-.08	-.07	
Magnitude	.08	.31	-.04	.20
Institutional				
Percent Villages in Rural APCs	-.11	-.20	.10	-.15
Universities	.08	.38	-.17	.08
Urbanization	.06	.40	-.12	.23
Industrialization	-.01	.03	-.06	-.05
Political Instability	-.22	.10	-.34	-.11
Party Second Secretary ^a	.32	.29	-.12	.24
Party Insiders ^b	-.06	-.10	-.26	-.20
Party Insider Increase ^c	-.16	-.20	-.31	-.30
Coercive				
Non-Maoist Military ^d	-.03	-.21	-.16	-.24
Military Participation in PRCs ^e	-.09	-.11	.14	-.14
Military PRC Chairman ^f	.02	-.20	.15	-.14
Military PRC Chairman and Vice-Chairman ^g	.05	-.10	.00	.01
Military PRC Standing Committee Members ^h	.02	-.12	.23	.07
Military Party Secretaries ⁱ	.38	-.02	.14	.08
Central-Peripheral				
Railroads	-.08	.25	-.12	.14
Distance from Beijing	.04	-.24	.09	-.19
Fourth FA Military	-.37	-.18	-.13	-.25
Fourth FA Party ^j	-.44	-.21	-.04	-.29

SOURCES: Sung in Table 5, pp. 353-359; Jürgen Domes, *The Internal Politics of China* (New York: Praeger, 1973), pp. 181 and 203-204; Richard Baum, "China: Year of the Mangoes," *Asian Survey*, 9:9 (September 1969), pp. 6-7; Jürgen Domes, "The Role of the Military in the Formation of the Revolutionary Committees," *China Quarterly*, no. 44 (October-December 1970), pp. 112-145; Tai-sung An, *Mao-Tse-tung's Cultural Revolution* (New York: Bobbs-Merrill, 1972), Appendix II.

^a Second secretary in 1971 party committee.

^b Percent secretaries who had been in the same military regions for at least one full generation prior to appointment in provincial party committees from 1966 to 1971.

^c Percent increase of insiders (see n.b.) in party provincial committees from 1966 to 1971.

^d Non-support by regional commanders for Maoist drive to capture provincial revolutionary committees (PRC) positions.

^e Degree of military participation in forming PRC.

^f Military commander or commissar as chairman of PRC.

^g Percent military commanders or commissars as PRC chairmen or vice-chairmen.

^h Percent military commanders or commissars as PRC standing committee members.

ⁱ Percent military commanders and commissars as secretaries and deputy secretaries on new provincial party committees in 1971.

^j Percent provincial party secretaries associated with Fourth Field Army in 1971.

to be a valuable predictor of GPCR violence. Provinces far from Beijing were especially likely to have a high level of incidents and number killed. In such localities both radicals and conservatives (particularly the military as evidenced by the Wuhan incident) were the least controlled by Beijing's Cultural Revolutionary Group. As a result, apparently violence became especially intense. In summary, southern provinces far from Beijing that had experienced a major postrevolutionary revolt, possessed a large ethnic minority and military influence, but had a low level of rural institutionalization were especially violence prone.

Major determinants of violence in 1969–1978 are found in Table 6. Again the causes are varied. Demographic variables played little role, whereas the level of violence magnitude in the prior or GPCR period was somewhat positively related. Provinces which saw a great degree of violence in 1966–1968 also were likely to experience relatively high levels in 1969–1978. Just as revolt in 1956–1966 influenced violence levels in 1966–1968, so too did levels in 1966–1968 affect those in 1969–1978. Violence in China's provinces shows substantial continuity with the immediate past.

Again, institutional variables generally emerged as weak predictors. Indeed the *more* urban the province, the *greater* the violence. Political disruption in the 1969–1978 period was relatively urban in character. Apparently social institutionalization, except perhaps in the countryside (r 's = $-.28$ in 1966–1968 and $-.15$ in 1969–1978), is little guarantee against political disorders in China's provinces. Possibly the rebuilding of urban social institutions in the 1969–1978 period from the chaos of the GPCR was insufficiently rapid to prevent violent events. Indicators of *political* institutions, however, seemingly played a role. Provinces with parties requiring a second secretary and therefore displaying relatively weak party control were somewhat more violent, whereas those with a high absolute level and proportional increase in insiders on new 1971 party committees proved to be, as predicted, less violent. Where the provincial party was strong in 1969–1978, those wanting to generate political violence were seemingly weak. In contrast to military personnel, party personnel, especially old-time party "pros," appeared to be especially adept at conflict management.

Violence was somewhat more prevalent in provinces in which the military played a Maoist role in setting up the provincial revolutionary committees after the GPCR. Non-Maoist officers appeared to be better at violent conflict resolution, but later analyses will reveal this relationship to be spurious. As expected, provinces in the Fourth FA system and with a high percentage of provincial party secretaries associated with the Fourth FA tended to experience less violence in 1969–1978. Apparently the purge of the Fourth FA left radicals in these provinces weak, demoralized, and possibly susceptible to greater administrative controls.

In summary, urban provinces with a high level of GPCR violence, a weak party, Maoist military officers, and minimal association with the Fourth FA were especially likely to experience political violence. It is interesting that not a single predictor of GPCR violence was useful in predicting post-GPCR violence. The decision to analyze the two periods

separately seems well justified. The extremely disruptive GPCR led by Maoist radicals would appear to be a special case of political violence unaffected by those factors influencing levels of violence in the times of "return to normalcy" in 1969-1978. Because China's conservative leadership was increasingly in control in 1968-1978, in contrast to 1966-1968, and at present seems to have consolidated its position, the predictors of political violence in 1969-1978 may prove useful for some time to come.

Multivariate Analysis

To preclude the possibility of spurious findings, multiple regression was employed to isolate important predictors further. As a first step, all variables found useful in prediction above but located in the same general category were regressed together with the total magnitude of violence for the two periods respectively in order to minimize the multi-collinearity problem. Those variables in the category which remained correlated with violence magnitude at the level of .20 or above were retained. Those falling below .20 were excluded as spuriously related to violence magnitude.

As a second step, the remaining predictive variables were then regressed together with violence magnitude for each period respectively. The multiple regression statistics, which delineate the independent impact of each variable on violence magnitude after controlling for the effects of all other relevant variables, are presented in Tables 7 and 8. Those relationships in which the unstandardized regression coefficient was 1.5 times the standard error were deemed especially important.

TABLE 7: Multiple Regression Analysis, 1966-1968

	Beta	Standard Error
Ethnic Minority	-.09	11.30
Past Revolt	.41	11.04
Southern Location	.14	11.38
Percent Hu in Rural APCs	-.20	0.12
Distance from Beijing	-.09	0.12
Military Influence in Party	.36	0.49
$R^2 = .42$		

TABLE 8: Multiple Regression Analysis, 1969-1978

	Beta	Standard Error
Non-Maoist Military	-.12	0.64
GPCR Violence Magnitude	.19	0.01
Urbanization	.28	0.56
Party Insider Increase	-.35	0.08
Fourth FA Party	-.21	0.07
$R^2 = .30$		

Table 7 reveals that after controlling for other salient variables, the magnitude of GPCR provincial violence is little explained by the presence of a large ethnic minority, southern location, or distance from Beijing. On the other hand, rural institutionalization retains a small negative impact. Provinces with peasants highly integrated into rural organizations were presumably slightly more able to resist a high degree of violence than those whose peasants were less integrated. In such localities, peasants presumably had greater investment to protect as well as more satisfying experiences with conventional structures and were therefore less likely to engage in political disruption. One of the best predictors, moreover, was the percentage of 1966 provincial party secretaries identified as professional military personnel. The greater the military influence in civilian politics, the *greater* the magnitude of GPCR violence ($\beta = .36$). In these provinces it appears that the military, previously aligned with conservative and anti-radical party officials, possessed a large share of ideological and coercive resources with which to engage in large-scale conflict against radical elements with impunity. Also provinces in which the military was especially influential in politics would most likely employ state violence rather than compromise to restore provincial order. As suggested above, military leaders generally tend to use force more than negotiations as a means of political conflict resolution. Finally, the best predictor ($\beta = .41$) of GPCR violence was the experience of a large popular revolt in the past. The subcultural hypothesis has some merit in explaining GPCR violence magnitude. A major revolt in 1956 seemingly provided the justification and expectation for greater popular participation in violence during the GPCR. Together the six variables explain 42% of the variance in GPCR violence magnitude. Past revolt and military influence alone explain 36% of the variance.

Table 8 presents the best predictors of the magnitude of post-GPCR violence. The non-Maoist orientation of provincial military officers drops out as a significant variable. The percentage of provincial party secretaries associated with the Fourth FA resulted in a somewhat lower level of violence. As suggested above, the purge of the Lin Biao forces in the 1970s left radicals in provinces with heavy Fourth FA influence particularly demoralized and subject to strict controls, thereby resulting in somewhat lesser violence. Also slightly predictive was the level of magnitude of GPCR violence. The "violent subculture" hypothesis also has some merit in explaining violence magnitude in 1969–1978. Possibly a high level of violence in the GPCR gave radicals in these provinces the justification and expectation to continue the Cultural Revolutionary struggle over the Gang of Four issue in the post-GPCR period. Barely missing the 1.5 criterion is urbanization ($\beta = .28$). Highly urbanized provinces were somewhat more prone to violence than more rural provinces. Not only were industrial labor issues salient at times in the post-GPCR period, but radical attacks on urban party officials during the Gang of Four controversy were also quickly sup-

pressed before they could spread to the countryside. Finally, the best predictor of 1969–1978 violence magnitude proved to be the percentage increase of party insiders on provincial party committees from 1966 to 1971 ($\beta = -.35$). In provinces where old-time party officials staged a greater comeback, violence was substantially lower in the post-GPCR period. In such areas, not only were radicals presumably weak but also perhaps especially demoralized as well. Further, old-time party officials would have had greater experience in non-violent conflict resolution. Together the five variables explain 30% of the variance in 1969–1978 violence magnitude. The percentage increase of party insiders alone explains 12%.

Conclusion

Politics in postrevolutionary China, far from representing a sharp break with earlier periods, displays substantial continuity with its pre-revolutionary past. Political violence seems as woven into the fabric of modern China as into that of traditional China. In particular the GPCR, in 1966–1968 revealed that peaceful conflict resolution is still a significant problem.

Yet peaceful conflict resolution seems to be far from a randomly decided affair. It was shown that the PLA proved to be comparatively inadequate for the task, while party officials were far more adept. Provinces in which the PLA played an influential role in civilian politics tended to experience greater levels of violence. In contrast, where old-time party officials increased their influence, violence tended to be less. Indeed, the data suggest that one reason for the lower level of political violence in 1969–1978 was the victory of civilian control through the rebuilding of party strength in the provinces and the general return of the PLA to more exclusively military affairs following its extensive political involvement during the GPCR.

Another interesting fact is that violence magnitude in both periods revealed a certain continuity with violence magnitude in the immediate past. A major revolt in 1956–1966 helped explain violence magnitude in 1966–1968, while violence magnitude in 1966–1978 contributed to the explanation of violence magnitude in 1969–1978. China's provinces seemed to learn violent or non-violent lessons from events in the immediately preceding period. Apparently violence is not only a poorly satisfying mode of conflict resolution since it often fails to solve serious issues which remain festering, but it also provides normative and utilitarian justifications and expectations for violence in the near future.

THE MUSLIM MINORITY IN THE PEOPLE'S REPUBLIC OF CHINA

Raphael Israeli

THE FIFTH NATIONAL People's Congress, held in March 1978 in Beijing, approved the new constitution of the People's Republic of China (PRC), which signals a reversion to the 1954 Constitution. Inter alia, the new-old provisions of the constitution restore some civil rights to the Chinese citizenry and give back to the ethnic minorities the right "to preserve or reform their own customs and ways."¹ The restoration of minority rights seems to be anchored in Vice-Chairman Yeh Jienying's general affirmation that following the removal of the Gang of Four "China must energetically revive and carry forward our democratic tradition, and fight against any encroachments on the people's democratic life or violations of the rights of citizens."²

This propitious development, from the viewpoint of the minorities in China, found yet another reinforcement in the convening of the Fifth People's Political Consultative Conference (CPPCC) in Beijing concurrently with the People's Congress. The CPPCC, which is committed to carry out the program of the People's Congress, counts among its constituting membership representatives of minority groups. This body, neglected in past years, now finds itself vastly strengthened with Deng Xiaoping as its chairman and will most likely try to meet the high expectations the official organs of China³ attach to it as a link between the masses, the Congress, and the Party. The conference elected

¹ As cited in Christopher Pritchett's dispatch from Beijing, Reuter, March 7, 1978.

² *Ibid.*

³ The *People's Daily*, the *Red Flag*, and the *Liberation Army Daily* editorialized on March 9, 1978 on "the United Front which has a lot of work to do and should play its role in many fields . . . for democratic consultation on major issues concerning the political life of the country." (See John Roderick's dispatch, AP from Beijing, March 9, 1978).

to its Standing Committee, among others, Tibet's Panchen Lama and the old Burhan Shahidi, the former Muslim boss of Xinjiang who had lost favor during the Cultural Revolution.

Among the minorities in China, "national" or otherwise, the thirty million or more Muslims stand out as a unique case for good reasons. First, unlike other minority groups, such as the Mongols, the Tibetans, and the Zhuang, the Muslims are not concentrated in any particular province, although they admittedly constitute a majority in Ningxia and Xinjiang, and a very sizable minority in Gansu and Yunnan. They are found throughout the country, and ever large city is likely to have its Hui (Chinese-speaking Muslims) section. Thus, the Muslim problem cannot be dealt with in any one "autonomous region."

Second, in contrast to other groups in China, whose home base may be completely within the confines of the PRC (e.g., Tibet), the Muslims, whose identity remains focussed with the universal *Umma* of Islam, regard themselves as a Chinese branch of an alien culture, not a minority-guest culture in China. The daily validation of their membership in the universal *Umma* is at the basis of Muslim ritual, and one of the "Pillars of Islam" is the tenet of Hajj, the Pilgrimage to Mecca—the Holy Place of all Muslims.

Third, despite Chinese attempts to differentiate within the Muslim community in China between the Hui of China proper, the Uighurs of Sinkiang, and the other Turkic minorities of Central Asia—Uzbek, Kirghiz, and Kazakh—a general sentiment of Islamic brotherhood potentially if not practically unites all those splinters into one social and cultural group. Under certain circumstances this group may seek political expression as well. However, as long as the divide and rule policy of the Chinese state prevails, the ethnic and linguistic differences between the Hui and the other Muslim groups in China are being cultivated in order to preclude the threat of an all-China Muslim front. Thus, when state announcements refer to the population of Xinjiang, the purpose is to emphasize parochial peculiarities and stem the rise of Muslim unity throughout the land.

Fourth, Islam is not only a culture but also a total way of life, inseparably encompassing politics and religion, and irrevocably striving to bring to bear Islamic political theory; this way of life carries with it the seeds of Muslim statehood. When a Muslim minority happens to live in a non-Muslim state, it remains in many ways outside that polity and nurtures separatistic ideals which can materialize when the opportunity presents itself.

Finally, more recently, because of the mounting power and wealth of some Islamic countries, Islam has become a success story, something to be proud of. Moreover, the new institution of the "Islamic Conferences," which have been convening yearly since 1969, has given a new impetus to popular, if not political, Pan-Islamic sentiments. One may conjecture that in the post Gang of Four era, as China seems to be less rigid toward the outside world, Chinese Islam may be affected by these

pan-Islamic currents, and consequently by separatistic trends, as have other Muslim minorities in Asia (the Philippines, Thailand, and Burma).

Past experience has shown that in modern China whenever Islam was oppressed to the point that its existence was jeopardized, or when it was given enough leeway to express itself freely, voices of separatism came to the fore, at times violently so. The socio-historical reasons underlying this pattern of behavior have been laid down in detail elsewhere.⁴ Here, suffice it to recapitulate the main developments under the Communist regime, the most recent of which may yet turn out to be the newly amended constitution.

From the very outset, Communist China embraced the concept of the state as a unitary body politic, a concept that has its roots in the traditional idea of one universe, the Tienxia, ruled by the Son of Heaven. Thus, unlike the Soviet Union which recognized, at least in theory, the acceptability of a federation of Soviet Republics, most of which are populated by "minority peoples," China never varied from the traditional view that power emanates from one center, and that the center is, in turn, influenced by the feedback from the masses below.

In this setting, there is, *prima facie*, no room for political pluralism. However, during the initial years of the Communist regime the multifarious mosaic of cultural variety throughout the land was recognized, and for fear of unnecessarily arousing anti-Chinese sentiments at a time when the regime needed peace and order to establish itself, tolerance towards cultural pluralism was in evidence. Thus, the 1949 CPPCC Conference held in Beijing included five Muslim delegates, one representing the "Democratic Religious Council" and four representing "minority nationalities."⁵

But from the 1950s onwards the radical politics pursued at home, such as the communization of the economy and the campaign to Maoize the political and social behavior of the masses, brought about a head-on collision with the Muslim minority. *Waqf* land belonging to mosques was at times confiscated, and the educational system thenceforth strove to emphasize Marxism-Leninism at the expense of Muslim (and of other minorities for that matter) customs and tradition. This policy generated a strong opposition among the Muslims who remained, on the whole, dedicated to their Islamic values and to their attachment to Universal Islam. A Muslim Imam who escaped from China reported on a *khutba* (sermon) he had delivered to his congregation during those difficult days:

First, I outlined the historical facts of the struggles during the lifetime of our Great Saint Muhammad and his final victory over tyrannical rule

⁴ R. Israeli, *Muslims in China: A Study of Cultural Confrontation*, Atlantic Highlands, N.J.: Humanities Press, 1979.

⁵ Anonymous, "20 Years of Chinese Communism," *Religion in China*, October 1969, p. 31.

and evil power. I entreated them to follow and to manifest the unconquerable and unflinching spirit of resistance of our ancestors.⁶

This was a rather passive way of resisting. However, in areas heavily populated by Muslims, where Muslim self-confidence on the one hand and overwhelming indignation on the other were at their highest, opposition assumed a more violent character, to the point of open revolt.⁷

During the brief period of the "Hundred Flowers," when open criticism was allowed, even invited, Muslims attacked the authority of the Communist Party and the flood of Han migration into their areas, and some demanded self-determination or even independence for their people. An official source acknowledged in 1958 that:

The meeting of the Kansu Nationalities Affairs Committee took the view that local nationalism among the Hui was not only widespread but also pronounced in Kansu. . . . Muslims denounced their fellow-Muslim Communist sympathizers as traitors to Hui nationality.

Some Muslims discredited the "Fatherland" concept of the regime by declaring: "China is not the fatherland of the Hui nationality. . . . Arabic is the language of the Hui people. . . . All the Hui people of the world belong to one family."⁸ Another official report revealed that:

The Hui declare that there is no living to be made in China, and even openly demanded emigration permits from the Government so that they may return to Arabia to settle down. Some of them make it known that a government of Imams will be established within an Islamic state.⁹

In May 1958 the *People's Daily* revealed that the Hui in Henan had twice revolted in 1953 and had planned to establish an independent Islamic state. In April and June 1958, another movement, led by Ma Zhenwu, a Hui Imam from Ningxia, erupted into a revolt with the reported purpose of establishing a "Chinese Muslim Republic" under the war slogan "Glory to Islam!"

In looking back at the history of the Muslims in China, one is struck by the repetition of the same traditional themes under Communist rule. Arabia, the place of inception and operation of the Prophet and of Islam, has remained for Chinese Muslims their true homeland, although probably neither they nor their forefathers had ever been there. They yearn not merely to migrate to a land of safety but to *return* to Arabia as the only way to physical and spiritual redemption. Similarly, the Arabic language, of which they know a mere trifle, has remained *their* language because it is the tongue of the Prophet, the

⁶ Kao Hao-jen, *The Imam's Story*, Hong Kong, 1960, p. 14.

⁷ Yang I-fan, *Islam in China*, Hong Kong, 1960, pp. 71-78.

⁸ Dispatch of NCNA, January 16, 1958. Cited by S. Ghosh, *Embers in Cathay*, New York, 1961, pp. 81-82.

⁹ *Ibid.*, p. 130.

manifestation of the Word of Allah as it descended to humanity in the Qur'an.

The holiness of the Arabic script remains central not only to the Chinese-speaking Muslims but also to the Turkic-speaking Muslims of the Northwest. Until 1956, the Uighurs of Xinjiang used the Arabic alphabet. A change to the Cyrillic alphabet was announced, but before it could be implemented another change was introduced in 1958, when the Latin script was adopted.¹⁰ However, despite the Communist regime's excuse that the Latin alphabet would be in "keeping with plans adopted for the rest of China,"¹¹ the Uighurs, the Kazakhs, the Kirghiz, and the Uzbeks have evidently preserved their attachment to their holy script, and the government's initiative to press a change only underscores this attachment.

To be sure, even during this period of mounting tension between the central government and the Muslim minorities in China, the authorities adopted some ostensibly conciliatory moves, such as establishing the "Chinese-Islamic Association" (1953) and allowing a few Muslim pilgrims to go to Mecca for the Holy Hajj (1955). But these moves only illustrated the problem at hand, inasmuch as the regime had to "join" the Muslims and patronize them and their needs as long as it could not "beat" them. In this vein, NCNA published reports of the *'Id-al-Fitr* Festival, on which occasion religious services and festive dinners and gatherings took place in the Muslim community.¹² Of particular interest are the articles published in Beijing and Urumqi, in the beginning of April 1966 just as the Cultural Revolution began brewing. In both cases unusual publicity was given to the celebration, while the Muslim Imams paid due lip service in their laudatory remarks to Communism, the Revolution, and the "full rights and complete freedom in religious belief" they enjoyed.¹³ Foreign Muslim dignitaries and students participated in the festivities, which truly lent them a universal pan-Islamic flavor. In Beijing, the Muslim Imam expressed on that occasion the friendship between Chinese Muslims and the peoples of the Afro-Asian countries, and affirmed that:

No force on earth can destroy this friendship. The Chinese and the [Chinese] Muslims are standing together with the Muslims of all countries of the world in their common struggle against U.S.-led Imperialism, Colonialism and Neo-Colonialism.¹⁴

Reports abounded during the Cultural Revolution of Mao's Thought study groups in such areas as Qinghai, Ningxia, and Xinjiang,

¹⁰ Rasma Silde-Karklins, "The Uighurs between China and the USSR," *Canadian Slavonic Papers*, XVII:2 & 3, 1975, p. 355.

¹¹ A. Whiting, "Sinkiang and Sino-Soviet Relations," *China Quarterly*, No. 3, 1960, p. 36.

¹² See, for instance, NCNA, March 8, 1962.

¹³ See *SCMP*, April 6, 1966, No. 3673, pp. 16-17.

¹⁴ *Ibid.*

without however explicitly specifying whether Muslims (or other minorities) were involved. In March 1968 the usual announcement of the Muslim Festival at the Beijing Mosque included the additional information that after the services Chinese Muslims presented Mao's book of quotations and Mao badges to fellow Muslims from Asian and African countries.¹⁵ This was truly a cultural revolution of universal proportions!

Together with announcements of excellent revolutionary activities in Ningxia, Xinjiang, and elsewhere in Muslim territory, reports came of the ransacking of Comrade Saifudin's house in Xinjiang, and Burhan Shahidi was denounced as one of "the Party members who took the capitalist road in Xinjiang."¹⁶

The full flowering of the Mao personality cult during the Cultural Revolution gave rise to stories, some of them recounted by Muslims.¹⁷ For example, a Kazakh herdsman complained that his greatest concern in moving to a new pasture land was how to transport Chairman Mao's portrait safely.¹⁸ For Muslims, who are required to avoid icon worship, this would be truly iconoclastic if it did not underlie the authorities' need to cover up their mistreatment of the Muslims during those turbulent years, and the Muslim rebellions resulting therefrom.¹⁹

In the post-Cultural Revolution era, reports continued of Hui groups who delved into "the principles of Mao Zedong's Thought,"²⁰ and of "the big increase in the number of cadres of Hui nationality . . . , most of them coming from the ranks of poor and lower-middle peasant families" aided, to be sure, by "veteran cadres of Han nationality who help the new minority cadres to improve their working skills."²¹ Concurrently, "model" cases of Hui and individuals of other ethnic groups who excelled in their domain were extolled, particularly when they showed propensity to integrate into the Chinese culture. For example, a 31-year old Uighur woman singer, who was "among the first group of minority singers trained after 1949," studied at a conservatory whose curriculum included a course in Chinese language and history.²² She was cited for singing the songs of Uighur, Kazakh, Han, Tibetan, Korean, and other nationalities. In other words, her great achievement was her departure from Hui-Uighur particularism, because she not only learned Chinese history and language but also made no distinction between her minority and others.

In another instance, there was mention of the education in "ideological and political line and in integration between workers and peas-

¹⁵ *Red Flag Bulletin*, May 26, 1968.

¹⁶ *SCMP*, September 12, 1968, No. 4256, p. 17.

¹⁷ See, for instance, *Guangming Ribao*, December 26, 1968.

¹⁸ *SCMP*, January 16, 1969, No. 4339, p. 7.

¹⁹ For details, see J. Dreyer, *China's Forty Millions*, Cambridge, Mass.: Harvard University Press, 1976, pp. 214-224.

²⁰ See, for instance, *Guangming Ribao*, November 13, 1971.

²¹ NCNA, Yinzhuang, June 2, 1973, and NCNA, Lanzhou, June 21, 1973.

²² NCNA, Urumqi, January 6, 1974.

ants, which have guided the Agricultural Scientific Research Institute of the Linxia Hui Autonomous *zhou* in Gansu into a correct path."²³ The "correct path" was the Cultural Revolution, which was justified, post-factum, by pointing out the great blessings it had brought to minority areas. For example, Qinghai Province was said to have set up many factories and cooperatives to produce daily necessities for minority peasants. Total industrial output reportedly doubled between 1965 and 1973,²⁴ implying that the GPCR and its aftermath had meant a great increase in production of minority consumer goods. Similarly, education was reported to have expanded in the Northwestern minority area. In the Zhangji Hui Autonomous *zhou* in Xinjiang alone, 581 schools were said to have been in operation in 1974, in contrast to 435 prior to the GPCR. The disparity was blamed, very predictably, on Liu Shaoqi's revisionist line in education, which did not facilitate efforts of children of peasants and herdsmen to go to school.²⁵

From 1974 on, an outstandingly high number of articles and news items were devoted to minority and Muslim problems in China, emphasizing their "complete equality" with the Han majority. The following passages will illustrate the point:

Today, all . . . nationalities are masters of the country and take part in managing state affairs on an equal footing. Representatives of minority peoples hold leading posts in party and state organs and some are members of the Political Bureau. . . . 14% of the deputies to the successive National Congresses have come from minority peoples who account for only 6% of the population. . . . Minority peoples have the right to national regional autonomy. . . . China has five Autonomous Regions, equivalent to provinces, 29 Autonomous *zhous*, covering a number of counties, and 69 Autonomous Counties. . . . Autonomous organs at all levels exercise rights of self-government, under the centralized, unified leadership of the central People's Government. . . . This means that they are entitled to manage local finance within the scope prescribed by the Constitution of the People's Republic, and enact rules and regulations on local elections and taxation according to the political, economic and cultural characteristics of their own nationalities. . . . The minority population distributed over other parts of China enjoy the same democratic rights as the local inhabitants and receive special consideration for their life, customs and habits. Some minority peoples . . . have now created their written languages with state aid. Books, newspapers and periodicals are published . . . in minority languages in great quantities.²⁶

The Chinese Communist Party's policy of regional national autonomy is a basic policy formulated by Chairman Mao, for handling the national question in China. In formulating this policy, he applied the Marxist-Leninist thesis on the national question while taking into consideration

²³ NCNA, Lanzhou, April 11, 1974.

²⁴ NCNA, Xining, June 5, 1974.

²⁵ NCNA, Urumqi, June 21, 1974.

²⁶ NCNA, Beijing, September 22, 1974.

the fact that China is a unitary multi-national state. . . . Chairman Mao had proclaimed that "we recognize the right to equality and autonomy of the minority nationalities within the borders of China." . . . This policy has been laid down in the Constitution of the People's Republic and has since been carried out. China's Constitution stipulates that the organs of self-government of the national autonomous areas . . . may exercise their autonomy within the limits of their authority as prescribed by law. They are authorized to formulate specific regulations on political, economic, financial, cultural and educational matters in accordance with local conditions. . . . The working people of various nationalities in Sinkiang . . . make up the majority of the deputies to the People's Congresses and the members of the Revolutionary Committees at all levels in the region. Minority peoples are also represented in the central organs of state power.²⁷

The rationale, of course, was that: "Chairman Mao teaches that without a large number of communist cadres of minority nationalities, it would be impossible to solve the national problem thoroughly and to isolate the minority nationality reactionaries completely."²⁸

However, the fact that the article lauded "the minority cadres and Communist Party members . . . who have an ardent love for the Socialist Motherland and are determined to advance along the Socialist Road"²⁹ was indicative of the Chinese suspicion that the masses of Muslims still cherish their separatistic ideal, despite the assurance that "the [cadres] maintain close ties with the masses of minority peoples."³⁰ But in contrast to the promises of cultural autonomy and the specific commitment of the government to cultivate minority languages and other particularistic traits,³¹ this document makes it clear that the "state does its best to help minority nationalities develop Socialist culture."³² Of course, Islamic culture—Hui, Uighur, Tungan, or otherwise—is hardly compatible with Socialism.

This wealth of articles concerning minority problems continued into 1975 in an attempt to show the economic, political, and social progress of the various nationalities, especially since the advent of the Cultural Revolution. The emphasis, however, was on the rights of minorities to their language and culture *within* the framework of the Fatherland concept of a unitarian China under Mao's aegis. The repeated references to a party policy towards the minorities did not augur decentralization and more autonomy. Rather, the manipulation of particularistic cultures and the allocation of partial satisfaction to their parochial demands signaled the intention to facilitate their "painless" incorporation into the strictly centralized system. Indications of this

²⁷ NCNA, Urumqi, September 25, 1975.

²⁸ *Ibid.*

²⁹ *Ibid.*

³⁰ *Ibid.*

³¹ *Ibid.* and *Guangming Ribao*, May 10, 1975.

³² *Ibid.*

trend can be found in the oft-repeated references to the policy of training local minority cadres, and the official summoning of the minorities to learn the Han language, side-by-side with their own, as "the only way to have a better grasp of Marxism-Leninism and of Mao's Thought . . . and to carry out socialist revolution."³³

And lest someone misunderstand the crucial correlation between party policy and economic prosperity, a report in the *Red Flag* pointed out that farming in Ningxia had remained backward with low yields and financial losses because the leadership did not have a correct ideological political line.³⁴ The situation reportedly improved dramatically after 1974, when criticism was launched against Lin Biao and Confucius.³⁵ This improvement in the Ningxia Hui region was marked not only in agriculture but also in industry. Whereas before liberation the region "could not produce a single pin or a piece of paper, it is now [1975] turning out more than 2,000 items of light industry to meet local minority peoples' needs . . . and also makes mining equipment, big machine-tools electronic measuring instruments. . . . All this is due, of course, to the Great Proletarian Cultural Revolution."³⁶ The ideological justification for Party policy was given historical depth by invoking Emperor Wu of the Han Dynasty.

A historical parallel was drawn between the "legalist-centralist" policy of that Emperor towards the nationalities and the "unitary multinational state line of the CCP." Lo Jienyu, a worker-peasant-soldier-student of Fudan University, argued in the *Guangming Ribao*:

An important task of the legalist line carried out in the times of Qin and Han, was to dispel the menace of the reactionary aggressive forces of the slave owners of the Huns, and to consolidate the centralist state based on the unity of multiple nationalities.³⁷

The article goes on praising the old Han policy, which one can find strikingly similar to the CCP's in the methods used to consolidate the unitarian state: (1) opening up important communications routes such as the Silk Road; (2) installing minority officials in the local administration; (3) conducting economic development through the use of the armed forces stationed in the countryside; the army, then and now, tilled the land and participated in production alongside the peasants; (4) a centralistic administration that retained the autonomy of the various nationalities; (5) immigration or resettlement of large numbers of peasants from the hinterland in the Northwestern region; and (6) attention paid to honoring customs and habits of nationalities and selections were made of men of ability from minority nationalities to join

³³ *Guangming Ribao*, May 10, 1975.

³⁴ *Hunqi*, April 1, 1975.

³⁵ *Ibid.*

³⁶ NCNA, Yinzhuang, May 18, 1975.

³⁷ *Guangming Ribao*, August 22, 1975.

central and local government organs.³⁸ However, while the ancient system was plagued by the inherent inability to implement an alliance of all nationalities on the basis of true equality, the CCP has created a unitary multinational state in which all nationalities are equal. In return, the minorities in general, and Muslims in Xinjiang specifically, were said to have admitted that "the greater the support we get from the Socialist Motherland, the greater our own responsibility in developing and defending the border region, and the greater the efforts we can make to build Socialism in the revolutionary spirit of self-reliance and hard work."³⁹

Xinjiang Uighurs' commitment to defend China's borders became a critical issue in the light of "Soviet revisionists' trying to initiate rebellion in Xinjiang" and the "danger that Xinjiang faces from Soviet revisionist social-imperialism."⁴⁰ The national security stake, which required a massive education of local cadres to counter the Soviet threat across the border in Central Asia, meant also that the Chinese government was "resolute to deal blows to a handful of national splittist elements and counter-revolutionaries under the cloak of religion, who throw themselves into the arms of Soviet revisionists."⁴¹

This is one of the bluntest admissions by the Chinese authorities of secessionist trends among the Muslims in Xinjiang at this time "under the cloak of religion." These trends are not a mere trifle but a truly threatening affair. NCNA admitted on September 30, 1975 that the struggle was going on "to smash the subversions and sabotages engineered by the Soviet revisionist social-imperialism, and to defend the border area of the Motherland," this area being "a steel-bastion of the northwestern border of China."⁴² The national importance of Xinjiang was very significantly manifested during the anniversary of the Xinjiang Uighur Autonomous Region, which was celebrated in conjunction with the anniversary of the PRC on October 1, 1975. The perennial Saifudin,⁴³ the highest party official of Muslim extraction, and Zhen Xilien, the vice premier, both attended the ceremonies. Signs of unrest were evident at about the same time among Yunnannese Muslims as well. In 1975, according to one report, the Muslim-Hui minority of Yunnan revolted against the authorities who had intended to impose the raising

³⁸ *Ibid.*

³⁹ NCNA, Urumqi, September 27, 1975.

⁴⁰ NCNA, *Beijing*, October 14, 1975.

⁴¹ *Ibid.*

⁴² NCNA, Urumqi, September 30, 1975.

⁴³ Saifudin (Sai Pidín Azizi in Chinese) held a long series of titles: Alternate Member of the Political Bureau of the CCCP; Vice-Chairman of the Standing Committee of the National People's Congress; First Secretary of the CPC Xinjiang Regional Committee; Chairman of the Autonomous Regional Revolutionary Committee; and First Political Commissar of the Xinjiang Military Area Command of the PLA.

of pigs in line with the central directives of "taking pork as a base."⁴⁴ Muslim villages were bombarded and their population harmed.⁴⁵

The vacillations marking China's national minority policy in general, and its treatment of the Muslims in particular, have been caused by many factors, including the inherent contradiction between Communist ideology, which raised hopes among the Muslims for far-reaching self-determination, and the practical requirements of national interests which dimmed these hopes; the built-in tension between foreign policy gestures toward the Islamic World, and the demands of a tough policy at home; and the acute dilemma between "crash integration" of the Muslims, which may give rise to resentment and an uprising, and a liberalization of the policy towards them, which may encourage their secessionist propensities. Let us elaborate on each of these dichotomous themes.

Ideology Versus National Interests

As Lucian Pye has pointed out, the Chinese Communists had adopted from the very inception of their party Lenin's view that national minorities should have the right of secession, but on the other hand, the proletariat should seek to consolidate ever larger units of rule and work to diminish any desire for secessionism.⁴⁶ Later, at the Second Party Congress, the CCP proclaimed the doctrine of regional autonomy for national minorities, which was expanded in the 1931 Constitution of the Qiangxi Soviet as "the right of self-determination of national minorities in China, their right to complete separation from China, and the formation of an independent state for each minority nationality." After 1949, however, the CCP desisted from such verbal commitments and recognized only the acceptability of "autonomous regions." Thus, the Chinese made the first explicit break from the Leninist tradition in rejecting Lenin's principle of self-determination and the right of secession. Thenceforth, the CCP advocated the carrying out of the principles of equality and regional autonomy for nationality groups within the unity of the "Fatherland."

Unity entailed a massive superimposing of Han cadres onto the local leadership of national minorities and was coupled with governmental encouragement of Han migration and settlement into the minority zones. Although immediate assimilation of the minorities was not at hand, the Chinese central administration in this way could reinforce its grip on the peripheral minority areas. Autonomous regions were

⁴⁴ *Problemes Politique et Sociaux*, Serie Extreme Orient, No. 386, Chronologie Chine, October 1, 1979-February 29, 1980, p. 14.

⁴⁵ *Le Monde*, September 11, 1978.

⁴⁶ L. Pye, "China: Ethnic Minorities and National Security," *Current Scene*, December 1976, XIV:12, pp. 4ff. The following section is based on the above.

established in Xinjiang, Tibet, Ningxia, etc., assuring their effective administrative and political affiliation to the central government, at the price of proclaiming them "autonomous." This shift in CCP policy towards the national minority problems marked the dramatic transition from a party in opposition to the establishment; the CCP could afford ideological niceties as long as it was not in power, but once in control of government it had to come to grips with issues of national interest. Indeed, the CCP in power soon realized that the major minority groups dwelled in border areas of the PRC, thus posing a serious problem to its territorial integrity should separatist movements be allowed to voice their grievances against the Beijing. This message gained more urgency when the Tibetan Revolt broke out in 1958, followed by the exodus of thousands of Muslim Kazakhs from Xinjiang across the border into the Soviet Union. Thus, the vulnerability of China's borders in the north and the south came to the fore as a critical issue of Chinese policy.

China's schism with the Soviet Union, far from closing the ranks of the Chinese with their minorities, on the contrary brought into focus the realization that the problem of national minorities in general, and in the northwest in particular, was inexorably linked with China's national defense. Thus ensuring loyalty to, or at least the passive acceptance of, CCP rule within the minority areas became one of the primary concerns of the communist regime. This is particularly evident in areas populated by Muslims, who had proved once again their separatist aspirations and their readiness to rise up in arms in defense of those aspirations. The specter of any unrest among the four million Uighurs of Xinjiang, or any dissatisfaction among the Hui Muslims in other parts of China, is enough to raise grave concerns in Beijing, especially in the light of the Kazakh precedent and of the continuing border clashes with the Soviet Union.

Thus the early great promises of the CCP toward minorities had to be shelved, to give way to defense considerations. As a consequence, minorities have been alternately soothed or aggravated, according to the swing of the pendulum. Whenever reason prevailed in Chinese politics, as in the early days of the PRC and in the post-Gang of Four era, a conscious effort was made to integrate the non-Han peacefully, to contribute to their development economically, and to pay lip-service to their cultural autonomy. These steps were deemed essential to ensure stability in the country's border areas. At other times, and especially during the Cultural Revolution when doctrinal fanaticism overrode pragmatic considerations, many Muslim leaders (and other minority chiefs for that matter) were badly mistreated, and the government policy of Han migration and doctrinal training was more bluntly and less tactfully enforced.

Foreign Policy versus Domestic Needs

China's opening to the Third World at the Bandung Conference in 1955, and the resulting expansion of China's diplomatic relations with

those countries, posed a novel problem to Beijing's policy makers. Not only did the Chinese perceive a correlation between relaxation on the world scene and granting freedoms, religious and otherwise, at home, but they also perceived the Chinese Muslims as an instrument of foreign policy which could be manipulated to promote the PRC's goals. Conversely, when the Beijing government perceived, rightly or wrongly, an ascending "imperialistic aggression," it was considered necessary to adopt strict domestic measures which entailed, inter alia, repression of manifestations of religious sentiment. Accordingly, Chinese Muslims were either placated at home and permitted to participate in Chinese foreign policy making, or were altogether banned from the foreign political process, as a corollary of their oppression at home.

During the initial years of the communist regime, China had regarded the awakening Asian and African countries as lackeys of Western imperialism,⁴⁷ and therefore saw no attraction in courting them. This period was marked by interracial conflicts in China, despite the authorities' endeavours to pacify the minorities and to carry out peacefully the great reforms of the new regime. Land reform and other measures inevitably affected the Muslim minority and caused disorders and even revolt in their midst. However, since foreign reactions to the oppression of Muslims came particularly from such anti-PRC countries as South Korea, Taiwan, and the U.S., China had no motivation to depart from its tough domestic policy towards minorities. In the early 1950s, against the background of the Korean War, only the openly pro-Western Muslim countries (Iraq, Lebanon, and Turkey) voted for the condemnation of China in the U.N., while others (Egypt, Saudi Arabia, Syria, and Yemen) abstained as did the major Islamic countries of Asia (Indonesia, Pakistan, and Afghanistan).⁴⁸ This evinced to the Chinese that the Islamic countries were no less concerned about their relations with the PRC than about the fate of their co-religionists in China.

The relaxation that followed the Korean War, and the slackened control at home, engendered the policy of coexistence with Afro-Asian countries, a process that reached its climax in the Bandung Conference and its aftermath. In those years, Chinese Islam enjoyed relative freedom and Chinese Muslim leaders were mobilized to show that the Muslims of North Africa and the Middle East, not they, were actually oppressed by imperialism. Beijing unwittingly allowed a pan-Islamic bias to seep into this propaganda, which declared that: "Muslims in China cannot sit idly by and see Muslims oppressed. We should oppose U.S. Imperialism in unison with all Muslim countries and oppressed nationalities."⁴⁹ Thus, while the Chinese turned the table on Western accusations against China's oppression of its Muslims, they implicitly also

⁴⁷ See Y. Shichor, "The Role of Islam in China's Middle Eastern Policy," in R. Israeli (ed.), *Islam in Asia: Problems and Perspectives*, Jerusalem: Magnes Press, forthcoming.

⁴⁸ *Ibid.*

⁴⁹ Wuhan Radio, April 1951, cited in Shichor. The above passage is based on Shichor's article.

took cognizance of pan-Islamic solidarity, which permitted a Muslim minority to interfere in soothing the plight of its oppressed brethren in other lands. Moreover, the Chinese also attempted to demonstrate during those years that Chinese Muslims enjoyed excellent treatment, and they invited Muslims from other countries to come and witness that it was indeed so. The need to justify its domestic policy in the eyes of foreign Muslims also underscored China's implicit recognition of pan-Islamic solidarity.

In any case, such prominent Chinese Muslim politicians as Burhan Shahidi and Saifudin, and religious scholars such as Shaykh Da Pusheng and Yussuf Ma, were harnessed to Chinese foreign policy, especially in Islamic and Middle Eastern countries. The PRC was in dire need of recognition by those countries, and therefore Muslim notables were included in China's delegation to Bandung, while others were included in cultural delegations to the Middle East. On their way, they naturally performed the duty of the Hajj to Mecca. Some of these delegations, notably the one headed by Burhan, was apparently instrumental in the establishment of diplomatic relations between the PRC and Egypt, Syria, and Yemen in the middle of 1956.

There was a "danger" that the implicit pan-Islamic sentiments, which were unwittingly promoted by the PRC's permitting contacts between Chinese Muslims and Muslim outsiders, could become more explicit and get out of hand, especially because Afro-Asian diplomats and students of Muslim extraction who resided in China and attended religious services in local mosques added a follow-up dimension to the groundwork provided by the exchange of delegations. But this was soon to be "redressed."

In the late 1950s, following the American show of force in Lebanon and the announced determination of the Eisenhower administration to respond militarily to any PRC move in the Straits of Taiwan, Beijing came to perceive a threat from the U.S. as more imminent. This perception, coupled with the brief episode of the "hundred flowers" at home, which ended disastrously for the regime, generated a tough policy aimed at stamping out "rightist deviation" and crushing "anti-socialist trends" that had unexpectedly emerged. Muslims, together with other religious groups, were attacked for their "superstitious beliefs"⁵⁰ and were accused, and rightly so, of harboring separatistic ambitions. Domestic unity was the overriding consideration in Chinese perceptions because of the intensifying onslaught of the West. In those years, Beijing's relations with Islamic countries, and especially the Arab World, were at their lowest ebb and came close to a total breakdown. Chinese attempts at reconciliation with some of those countries in the early

⁵⁰ *Ibid.*, especially n. 14. It is not inconceivable that the revival of old "New Sect"-*"Old Sect"* controversy in 1958 was part of this campaign to discredit Islam altogether. See B. Pillsbury, "Factionalism Observed: Behind the Face of Harmony in a Chinese Community," *China Quarterly*, Summer 1978, n. 60.

1960s were again stymied by the outbreak of the Cultural Revolution, which set back China's foreign relations in general. Correspondingly, a new wave of intimidation against Chinese Muslims predominated and persisted up to the early 1970s, when China began to return to reality.

Nixon's visit to China and the resulting U.S.-Chinese thaw not only relaxed the domestic scene somewhat but also enhanced the importance of the border-dwelling Muslim minority in the context of the perceived insolubility of the Sino-Soviet conflict. Beijing made soothing statements with regard to Muslims in Xinjiang and to the parade of achievements in minority areas credited to the Cultural Revolution, but these were nevertheless clearly calculated to accommodate Chinese Muslims. In this light we can consider the recent renewal of the Hajj pilgrimage by groups of Chinese Muslims. In fact, in October 1979 a delegation of 16 Chinese Muslims was permitted to make the Hajj to Arabia for the first time since it was banned in 1964 during the Cultural Revolution. The delegation consisted of Islamic leaders and scholars from seven provinces and autonomous regions in China.⁵¹

Integration versus Secession

As much as the PRC regime would have liked to assimilate the Muslim minority, and thereby resolve the dilemmas it confronts, it has so far failed to do so except in areas where the Muslim minority is so tiny that it lends itself to dilution, and to ultimate dissolution, within the host culture. The difficulty lies not only in that Muslims are settled all over the land, and therefore it would be hard for a "crash campaign" of assimilation to be successful, but also in that the guest Islamic culture, exactly like the Han host culture, is a tremendously self-confident, self-contained, and autonomous way of life. Moreover, the actual backing Chinese Islam gets from its large constituency (some 30 million people) and the spiritual enhancement it enjoys as a part of world Islam tend to reinforce Chinese Muslims' obdurate resistance to any attempt to obliterate their separate and living identity.

Paradoxically, however, the two opposite extremes of "crash integration" and "lax liberalization" have historically brought about the same result—the rise of Muslim separatism in China. In the first instance, when the regime trespassed the threshold of a viable Muslim autonomous culture, the Muslims rose up in arms in defense of their patrimony. In the latter instance, when the opportunity presented itself, as in times of domestic relaxation, the Muslims also pressed their demands for cultural and even political autonomy if not outright political secession.

In fact, there is no contradiction between these two responses, for both underlie Muslim messianic yearnings. Oppression can be perceived

⁵¹ *Impact International*, November 9–22, 1979, p. 10.

as a state of deprivation which is essential to and symptomatic of the coming of salvation, since a state of chaos and want is interpreted as the clearest sign that the age of peace and plenty is around the corner—hence the necessity to rise up in defense of the heritage, to make it through the transitional period of uncertainty in order to purify and prepare oneself for messianic days. A lax government, on the other hand, can be perceived by authoritarian-prone Muslims as a sign of weakness, as perhaps a divine signal that time has come to take matters into one's own hands.

Muslims have always lived under the compelling demand to dwell in a land of Islam, the only place where the Word of Allah could be coordinated into a political system commensurate with Islam. Failing that, the Muslim minority living under the rule of Unbelievers should wait until an opportunity arises, and in the meantime continue to cultivate its particularistic traits of religion, language, culture, and ultimate loyalty. The "provisional" stay in a non-Muslim land, until the day of redemption, induces them constantly to seek a way to join their brethren either by "returning" to a Muslim country or by annexing their patrimonial territory to *Dar-al-Islam*, the Country of Islam.

In sum, self-determination, either in the form of a wide-ranging cultural autonomy, or an outright political secession, have always been a perennial theme in Chinese Islam. Very significantly, two Western observers of the Chinese Muslim scene in the 1920s and the 1960s respectively, i.e., two decades before and after the establishment of the communist regime, have come to virtually the same conclusion. Robert Ekvall wrote in his observations of Chinese-Muslim relations in the 1920s:

The common subsistence economy, language and regional distribution has heightened the racial and religious conflict . . . which has led to increasing segregation. . . with a tendency to seek a solution of their mutual problems through political self-determination.⁵²

François Joyaux observed in his 1964 article that:

En tout état de cause, il est certain—les communistes eux-mêmes le confirment—que des troubles fort graves ont été enregistrés chez les musulmans depuis 1949 en diverses provinces et à plusieurs reprises. C'est-à-dire que la politique d'autonomie locale est loin d'avoir apporté une solution aux tendances autonomistes qui, depuis la rébellion de Hajj Ma Te-hsin au Yunnan en 1855, ou celle de Yakoub Beg en 1864, agitent les communautés musulmanes en Chine.⁵³

This pattern manifested itself back under the Qing Dynasty, and again

⁵² R. Ekvall, *Cultural Relations on the Kansu-Tibetan Border*, Chicago: University of Chicago Press, 1939.

⁵³ F. Joyaux, "Les Minorités Musulmanes en Chine Populaire," *L'Afrique et l'Asie*, No. 68, 1964.

during the land reforms of the early 1950s, and when the rigid conduct of the Red Guards during the Cultural Revolution resulted in revolts among Chinese Muslims. Paradoxically, voices of Muslim autonomy or even "independence" were also heard both in the beginning years of the Republic, when the Muslims were recognized as one of the Five Nationalities making up the Chinese Nation, and again during the Hundred Flowers, when they were ostensibly allowed to speak up and voice their grievances.

Conclusion

It appears that averting a Muslim minority uprising in China is possible only as long as a thin, often-precarious, balance can be maintained between a strong-handed policy that does not encroach too heavily upon the cultural religious viability of the Muslims and a liberal and generous policy which remains short of total autonomy. Whether the newly adopted Constitution was truly perceptive of these Islamic realities and therefore provided for "giving back to ethnic minorities the right to preserve or reform their own customs and ways," only time will tell. Previous pledges of national minority rights "to autonomy, to arm themselves and to hold on to their religious beliefs,"⁵⁴ voiced by Zhou Enlai, and Mao's reconfirmation of their right to self-determination⁵⁵ had proved empty rhetoric.

Now, with powerful Deng Xiaoping, a member of China's top leadership, at the helm of CPPCC and in light of the wide open-door policy that has been adopted in the post Gang of Four era, it is very likely that international intercourse will affect the life of many Chinese and not least of all the minorities. The Muslim community in China will become ever more conscious of its Islamic identity if there is freer movement of Muslims between China and Muslim lands. Chinese Muslims will, no doubt, become more and more aware of the Muslim success story in the contemporary world where mosques are sprouting in Washington, London, Geneva, and even Seoul on an unprecedented scale and with untold splendor. They will become conscious of the legendary wealth wielded by some Islamic countries, including those, such as Libya, who have been backing Muslim separatist movements in other Asian lands (Thailand and the Philippines). They will take cognizance of the most powerful of all Islamic states, Saudi Arabia, where the holy places of Islam are located and where local sheriffs claim descent from the Prophet himself. The holy pilgrimage to Mecca will gain a new impetus with a growing number of Muslim pilgrims making the journey, some of whom may even stay and settle there, if allowed,

⁵⁴ Zhou Enlai, in his "Report Concerning the Drafting Processes and the Features of the Common Program," cited by Weng Duxien, "China's Policy on National Minorities," *People's China*, 1:7, April 1950, p. 6.

⁵⁵ Mao, in his "On Coalition Government," cited by Weng Duxien, *ibid.*, p. 7.

as did many of their compatriots who fled from China in the early 1950s.

In recent years, the enhanced stature of Islam has engendered in the Muslim center a keener and deeper interest in the minorities of the periphery. This renewed interest manifests itself in the recurrent information printed in the Arabic press,⁵⁶ and particularly in the resolutions adopted yearly since 1969 by the Islamic Conferences, which bring under one roof delegates of 40-odd Muslim, or self-styled Muslim, countries representing over 500 million people. The recognition by the Marcos government of the Philippines of the Islamic Conference as a partner for negotiating the autonomy of the "Moros" and the Filipino "going to Canossa" (Lybia) to discuss the terms of the autonomy in 1977 only gave legitimacy to the earlier decision by the conference calling upon the Filipino government "to halt its military operations against the Muslims and adopt the necessary measures for the immediate withdrawal of its troops [from Filipino sovereign territory!], and honour its commitment to grant autonomy to Muslims in the Southern Philippines."⁵⁷ Other resolutions in that same conference favored the Muslim community in Cyprus over the Greeks and condemned the French for their continued occupation of Mayotte.

The current pro-Arab ambiance in the world, which by necessity generates a universal reluctance to antagonize Muslims, when converging with China's new liberal policies towards the minorities, may well allow, indeed demand, a renewed Muslim awakening in the PRC. We have already observed that too brutal pressures on Muslims or, paradoxically, too lax measures may well bring about the same result: more reticence on the part of the Muslims to adapt to Communist Chinese rule.⁵⁸ A difference nonetheless exists in the likely end results: while under extreme oppression the Muslims (like other minorities) may rebel and call for secession, they are also liable to be ruthlessly suppressed (e.g., the case of Tibet, Qinghai, and Xinjiang in 1958-1959) and Western public opinion might keep silent out of consideration for China's defense of its "territorial integrity." If, however, demands for secession arise under a liberalized and more open system, the Chinese would have so much stake in maintaining world public opinion on their side (see the case of dissidents in the USSR) that they might well have to respond to Muslim demands for a looser definition of autonomy.

If the cleavages among the Chinese leadership during the Cultural Revolution on matters of minority policy are instructive as a precedent, it is evident that the experienced administrators ("experts") usually favored concessions to customs and traditions of minorities, while the

⁵⁶ See, for example, a detailed study of Chinese Islam in the *Akhbar al-'Alam al-Islami* (News of the Muslim World) issued in Saudi Arabia, No. 322 and 323, April 9 and 16, 1973.

⁵⁷ See the Lahore Conference's Final Statement, June 1974.

⁵⁸ This argument supported by June Dreyer's summing up remarks in her book *China's Forty Millions*, p. 276.

ideological zealots ("reds") professed an immediate and total integration of these groups.⁵⁹ The Gang of Four's "red" policy towards minorities had already expressly come under fire⁶⁰ well before the March 1978 "expert" pledge of the new People's Congress to restore minority rights. If it is true that Deng Xiaoping, the new Chairman of the CPPCC, or his hand-picked successors for that matter, are willing to "strive for modernization at a greater cost to the core values of the Revolution"⁶¹ than Hua Guofeng, then he might conceivably also be prepared to pay the price of a relaxed policy towards Muslims (and minorities in general) as a correlative cost of modernization and liberalization. It would again be paradoxical that non-doctrinaire statesmen such as Deng (or his disciples and proteges) would be the men to restore Marxist doctrine on minorities to its original significance.

⁵⁹ J. Dreyer, "China's Minority Nationalities in the Cultural Revolution," *China Quarterly*, No. 35, 1968.

⁶⁰ See, for example, the article "Sinkiang PLA Criticizes the Gang of Four Treatment of Minorities," FBIS CHI, 7721, 1:21, February 1, 1977, pp. M-1, M-2. See also Yu Taiqing, "The Party Nationality Policy Shines Over Mongolia," *Peking Review*, No. 43, October 21, 1977, pp. 15ff.

⁶¹ K. Lieberthal, "The Politics of Modernization in the PRC," *Problems of Communism*, May-June, 1978, p. 11.



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KEY ISSUES IN THE CHINESE ECONOMY

Jan S. Prybyla*

THIS ARTICLE discusses ten key issues that, according to the Chinese authorities, confront China's economic policy makers at the present time. Since the second coming of Deng Xiaoping (1977), truth in China, we are informed, has been "sought from facts." This has revealed a number of blemishes previously hidden from view. In seeking appropriate remedies, China's post-Mao policy makers have vowed to be guided by the principle that "practice is the sole criterion of truth," which means that pragmatism and empirical experimentation rather than ideology are to provide the basis for answers to the troubling issues.¹

To jog the memory, I have resorted to simple political arithmetic in arranging my material and to the not very distinguished expedient of alliteration. The issues are grouped into ten categories: (1) poverty; (2) planning; (3) productivity; (4) prods; (5) popular psyche; (6) prices; (7) placement; (8) public schooling; (9) population growth; and (10) potpourri.

(1) Poverty

Gross National Product (GNP): China's GNP (a Western concept) per

¹ This article concentrating as it does on the issues troubling the Chinese economy—that is, on *problems*—tends to leave a rather pessimistic imprint on the reader. Many of the problems, while serious, are not insoluble. The answers to the issues given by China's post-Mao leaders to date are discussed in my "Readjustment and Reform in the Chinese Economy," *Occasional Papers/Reprints Series in Contemporary Asian Studies* (1981), University of Maryland School of Law (Baltimore) and in "China in the 1980s," *Challenge*, May-June 1980. Together these three papers give a more balanced and, by and large, more helpful picture of China's economy.

capita was officially put at \$253 (379.50 yuan) in 1979.² This is only about 50% of the figure estimated for China by the U.S. Central Intelligence Agency and a mere 55% of the per capita GNP estimated by the United Nations for 1971 (the year China joined that body) and accepted by Beijing at that time.³ The \$253 figure would put China in the upper half of the "low income countries" category as defined by the World Bank, that is, in the company of countries such as Mauritania, Uganda, Sudan, Kenya, Senegal, and Indonesia, which at the end of the 1970s were in the \$260–\$360 per capita GNP range.⁴

Peasant incomes: Commune peasants (roughly 80% of the population) derive their income from two sources: work for the collective and work in the private sector (mainly the household plot). Official Chinese figures indicate that in 1979 "per capita income in rural people's communes derived from the collective economy" averaged 83.4 yuan (\$55.60).⁵ I assume that this figure is net and per capita of rural commune population and not per capita of commune working population or per capita of commune working-age population.⁶ "In addition, the

² *Beijing Review*, October 27, 1980, pp. 16–18. Exchange rate for 1979: US \$1 = 1.50 yuan.

³ See Central Intelligence Agency, *China: A Preliminary Reconciliation of Official and CIA National Product Data* (Washington, D.C., December 1979). It has been suggested in some quarters that the surprisingly low Chinese per capita GNP figure may be connected with China's entry into various world monetary organizations, and the desire of the Chinese government to make China eligible for low interest loans given to countries below a certain per capita income level. When the PRC joined the United Nations in 1971, it accepted the U.N. estimate of Chinese per capita GNP of \$460 (or 920 yuan at the then current rate of \$1 = 2 yuan) and paid 5.5% of the U.N. budget. As a result of the revised figure for 1979, China's share of the U.N. budget fell to 1.9%. The PRC has, in fact, turned from a net donor to a net recipient of U.N. aid. In 1979–1981 its U.N. allocation was \$15 million. The allocation for 1982–1986 (based on the old per capita GNP figure) is \$142 million, of which China proposes to draw only 90% so as "not to hurt other recipients." At the same time, however, with a certain blithe disregard for logical consistency, the PRC claims that in view of the much lower per capita GNP figure announced by Beijing in 1980, the Chinese allocation of U.N. loan funds should be bigger than \$142 million for 1982–1986.

⁴ 1978 in 1978 dollars. World Bank in *New York Times*, August 31, 1980, p. E3. In 1978 per capita GNP (1978 dollars) was as follows: Switzerland \$12,100; United States, \$9,590; Japan, \$7,280; India, \$180. There are strong grounds to suspect that the Chinese per capita GNP figure is too low because of an undercount of the "non-productive" services component and too low depreciation. A figure of \$280 for 1979 and \$320 for 1980 appears more realistic.

⁵ State Statistical Bureau, *Beijing Review*, May 19, 1980, p. 23. The 83.4 yuan figure was mentioned again in an article in *Beijing Review*, January 19, 1981 (p. 22). However, in that same issue (p. 5) the average per capita net income from collective work in 1979 was given as 102 yuan (\$68). In addition, income from household sideline occupations and other sources was said to have averaged 58.2 yuan (\$38.80) or 57% of collective income. The total (collective + private) per capita net income would, on this count, be 160.2 yuan (\$106.80), rather than 113.4–123.4 yuan (\$75.60–82.27). The higher figures are based on a sample of 10,282 peasant households in 408 counties of 23 provinces, municipalities, and autonomous regions. The total number of peasant households in 1979 was 174.9 million.

⁶ *Beijing Review*, July 7, 1980, p. 7. Commune working population is probably about 45% of commune total population. Working-age population is around 49–50% of total commune population. See Thomas G. Rawski, *Economic Growth and Employment in China* (New York: Oxford University Press, 1979), p. 33. The assumption

peasants' income from household sideline production ranged from 30 to 40 yuan per capita in 1979" (\$20-\$26.67). Thus, total per capita income of commune peasants (social + private sector income) in 1979 came to 113.4-123.4 yuan (\$75.60-\$82.27). Typically, individually earned income will be pooled in the peasant household. Assuming the size of the average peasant family to be five persons, household income from the collective in 1979 was 417 yuan (\$278), while total household income (social + private) came to 567-617 yuan (\$378-\$411.33).

These are national averages. There exist sizeable disparities between the lowest and highest per capita incomes, and most Chinese peasants are on the lower end of the scale. The per capita income from work for the collective in the poorest production teams in Gansu Province in 1979 was said to have been 31 yuan (\$20.67). The per capita income from collective work in the province's model Kushui commune was 135 yuan (\$90).⁷ The lowest: highest social sector income ratio in Gansu in 1979 was, therefore, 1:4.35. On May 14, 1980 the *People's Daily* noted that "in some parts of the country containing in all 100 million people, there has never been a good life since collectivization [1955-56] and production has not picked up since the three years of economic collapse [1960-62]. In these regions the population has increased but the amount of grain has not increased. . . . The peasants have lost their faith in collectivization."⁸

According to a sample survey, in 1979 poor production brigades, those whose members received less than 50 yuan (\$33.33) per head per year, constituted 27.7% of all brigades. In 8.2% of the brigades, average per capita annual income was less than 40 yuan (\$26.67). In 7.6% of the brigades annual income per person was more than 300 yuan (\$200). The roughly 4% of rural households with per capita annual collective sector income of 60 yuan (\$40) or less had on the average 2.74 dependents per worker, while households with per capita annual collective sector income of 250 yuan (\$166.67) a year had 1.9 dependents per worker. Of the total income, roughly 70% on the average was spent on rock bottom basics: food, clothing, and housing.⁹

Wages of urban workers and employees: The category "urban workers and employees" covers production workers and clerical, administrative, and technical staffs in state and cooperative urban enterprises. Until

that the 83.4 yuan per annum figure represents per capita of the working or working-age population appears to me to be unrealistic.

⁷ *New York Times*, November 5, 1980, p. A2. The lowest per capita income from work for the collective that I have come across so far is 29 yuan (\$19.33) reported in 1978 for Kuyuan County, Ningxia (*Renmin Ribao*, November 26, 1978). In Kushui some households were reportedly making \$300 (450 yuan) a year from their private plots. Assuming five people to a household, this would mean \$60 (90 yuan) per head, which would be in addition to the social sector per capita income of around \$90 (135 yuan).

⁸ *Renmin Ribao*, May 14, 1980, p. 1, in *China News Analysis (CNA)*, Hong Kong, No. 1182 (1980), p. 7.

⁹ Beijing, Xinhua, January 2, 1981; *Beijing Review*, January 19, 1981, p. 22.

December 1980 the only firm per capita figure was 705 yuan (\$470) per worker per year (58.75 yuan—\$39.17—per month) in the urban state sector in 1979.¹⁰ Wages in the urban cooperative sector (which employs mainly housewives, retirees, and formerly unemployed teenagers) are believed to be 20–30% below those in the state sector. The 705 yuan figure refers to both tariff wages and bonuses/allowances. It does not include social benefits. Bonuses and allowances in the cooperative sector are, as a rule, well below those in the state sector, and social security coverage tends to be patchy, where it exists.¹¹ Work safety and other working conditions are worse in cooperatives than in state sector enterprises. Most urban workers and employees are paid less than the average wage. Also, “there is imbalance in pay income of wage and salary earners all over the country.”¹² Within the urban state sector there are many temporary workers who are worse off than regular (unionized) workers as regards basic (tariff) wages, bonuses, fringe benefits, and social security (the last two are often nil). Jürgen Domes informs me that the share of temporary workers in the total work force of the factories he visited ranged from 5% to a high of 35%.

The figure of 705 yuan annually is for employed people only. I assume that those employed constitute roughly half the urban population. The per capita urban wage in 1979 would be, therefore, 352.5 yuan (\$235). The ratio of per capita peasant earnings from the social sector to the per capita urban wage from state sector employment was 1:4.2. In the absence of strict administrative control over labor allocation, such a differential would produce massive migrations of people from rural to urban areas.

At the end of 1980, Xinhua released other data on urban earnings. These are presented in Table 1. Very general urban income distribution data were also given at that time. They showed that 9.3% of the families had per capita monthly earnings applicable to living expenses of more than 50 yuan (\$33.33), 2.1% 15 yuan (\$10) or less, making them eligible for subsidies, and 67.2% had per capita monthly earnings of 25–50 yuan.¹³ Table 2 compares per capita monthly incomes of commune peasants and those of urban workers and employees. In 1979 ur-

¹⁰ State Statistical Bureau, *Beijing Review*, May 19, 1980, p. 24. The average wage per state sector worker/employee in 1980 was 783 yuan (\$522) per year or 65.26 yuan (\$43.50) per month. The average wage per worker in the urban cooperative sector was 598 yuan (\$399) per year or 49.83 yuan (\$33.22) a month, which is roughly 76% of the state sector pay. *Beijing Review*, May 18, 1981, p. 20.

¹¹ A cost of living allowance decreed in November 1979 in partial compensation for sharp increases in state prices of a number of nonstaple foods was 5 yuan per worker per month. In February 1979 wages in Shanghai labor service companies (housecleaning, whitewashing, loading and unloading, general sanitation) were 0.8–0.9 yuan (\$0.53–\$0.60) per day. Thomas B. Gold, “Back to the City: The Return of Shanghai’s Educated Youth,” *The China Quarterly*, No. 84, December 1980, p. 766.

¹² *Beijing Radio*, Xinhua, December 30, 1980.

¹³ *Beijing*, Xinhua, December 30, 1980; *Beijing Review*, January 26, 1981, pp. 6–7. Earnings “applicable to living expenses” means “regular income remaining after support payments, alimony, and gift-giving, and all that can be used to provide for the daily needs of the household.”

ban workers and employees numbered 100 million, of whom 77 million were employed in the state sector and 23 million in the cooperative sector.

TABLE 1: Urban Incomes^a (First Quarter 1980)

	Yuan		U.S.\$ ^b	
	Monthly	Annual ^c	Monthly	Annual ^c
Average wage per worker/employee ^d	63.92	(767.04)	42.61	(511.36)
Average income per head of family members ^e	32.68	(392.16)	21.79	(261.44)
Average income per head of family members in 10 cities (including Shanghai, Beijing, Tianjin, Shenyang, and Guangzhou) ^e	35.00	(420.00)	23.33	(280.00)
Average income per head of family members in 16 cities (including Wuhan, Nanjing, Chongqing, Anshan, Changchun, and Xian) ^e	30-35	(360-420)	20-23.33	(240-280)
Average income per head of family members in 18 cities (most of them in northern China) ^e	<30.00	(360.00)	20.00	(240.00)

SOURCES: Beijing, Xinhua, December 30, 1980; *Beijing Review*, January 26, 1981, pp. 6-7.

^a Based on a sample of 86,955 families in 44 cities. The average size of the family is 4.48 persons, of whom 55.1% work.

^b Exchange rate: US \$1 = 1.5 yuan.

^c Annual figures extrapolated from average monthly wage per worker/employee in first quarter 1980.

^d Monthly average in first quarter 1980. Total wage, i.e., tariff wage + bonuses + extra allowances + supplements to compensate for price increases in non-staple foods, etc.

^e Regular income applicable to living expenses (see note 13). Total regular and occasional income before deductions for support payments etc., was 35.8 yuan (\$23.87) per capita per month. The 32.68 yuan figure was said to have been 72.7% above the equivalent figure for 1964 at current prices, and 60.1% after allowing for price increases.

Rationing of basic necessities: Among the physically rationed basic necessities in the cities are grain, vegetable oil, pork (reportedly recently derationed), sugar, cotton cloth, and housing. Other goods (several score of them) are rationed on and off as dictated by shortages. In the countryside the basic grain and vegetable oil allotments are distributed first and are drawn upon by households throughout the year. The average allotment is around 190 kilograms of grain per year. The allotment must be paid for out of the households' labor earnings and it is priced at the state procurement prices for grains. It is allocated equally on a per adult head of population (not per earner) basis with smaller per head allotments for children. Such an across-the-board distribution ab-

TABLE 2: Average Monthly per Capita Earnings

	Yuan	U.S.\$ ^a	Ratio
Commune peasants' earnings: ^b			
from social sector	6.95	4.63	
from private sector	2.50-3.33	1.67-2.22	
total	9.45-10.28	6.30-6.85	
Urban workers' and employees' earnings: ^c	32.68	21.79	
Ratios:			
Commune peasants' social sector earnings: urban workers' and employees' earnings			1:4.7
Commune peasants' total earnings: urban workers' and employees' earnings			1:3.2-1:3.5

SOURCE: Table 1 and State Statistical Bureau, *Beijing Review*, May 19, 1980, p. 23.

^a Exchange rate: \$1 = 1.50 yuan.

^b 1979

^c First quarter 1980. Regular income applicable to living expenses.

sorbs, we are told, about 70% of the total income available for distribution to commune members in a typical year. The remaining 30% is distributed unequally among working members according to the work points each worker earned during the year (i.e., in accordance with the principle "to each according to his work") at income distribution time, two or three times per year after the harvests. Given the low absolute level of income derived from the rural collective sector, there is not much that the leaders can do at the present time to combat what they regard as a disincentive egalitarian mode of income sharing, without condemning a lot of people to hunger.

In urban areas the grain ration varies according to age, sex, and type of employment. The basic (dehusked) grain ration ranges from 15 kilograms to 30 kilograms per person plus another 3-6 kilograms as a supplement from the place of employment (especially true of state sector factories). Sixteen kilograms of grain per month is roughly equivalent to five bowls of rice a day.¹⁴ The urban vegetable oil ration is 2.5 kilograms per person per year, irrespective of age or sex. The system is administered by local urban authorities and is linked to authorized residence in the cities. The grain ration fluctuates more in rural than in urban areas (in urban areas the ration is backed by imported grain). Pork had been rationed at roughly 12 kilograms per head per year ir-

¹⁴ Dennis L. Chinn, "Basic Commodity Distribution in the People's Republic of China," *The China Quarterly*, No. 84, December 1980, pp. 744-754.

respective of age or sex, and cotton fabric is rationed at about 6 linear meters of standard grade material (cotton fabric allocations in excess of personal need can be freely traded by individual recipients). In 1977 the per capita floor space in the cities (communal kitchen, bathroom, and corridor not included) was 3.6 square meters.¹⁵

The two rather obvious questions are: (1) is the grain ration/basic allotment actually available; and (2) if available, is it enough? The answer to the first question is yes. Over most periods (1960–1962 is the outstanding exception) the basic grain ration has been available in all urban and most rural areas. Occasional shortages in certain places have been met by relief shipments from elsewhere, by drawing down stocks, and by stepped-up imports. The answer to the second question is more qualified. In general, 190–200 kilograms of dehusked grain is enough (it translates into more than 2,000 calories per head per day) provided other protein sources are included in the diet: vegetables, meat, fish, and dairy products, for example. It is on this score that the situation appears to have been unsatisfactory in the past. In the post-1960 drive to assure the basic grain ration to everybody, the supply of other foods was neglected with deleterious effects on the quality of the diet. I estimate that the net availability of dehusked grain per capita in 1979 was 210 kilograms or some 20 kilograms above the basic ration (incidentally, the size of the basic ration has remained virtually unchanged in more than twenty years). In short, while hunger has been avoided most of the time and access to basic subsistence has been assured to most people, food consumption remains quantitatively precarious (the margin over basics is narrow even in the best years) and qualitatively deficient (in its heavy reliance on grain products). Similar remarks apply to the per capita supply and quality of oil, clothing, and housing.

(2) Planning

An economic system consists of coordinated information flows about wants and means. Information and coordination can be achieved basically in two ways: through markets or through central administrative command planning.¹⁶ The political purpose of all communist take-overs is the elimination of the ruling class. The economic purpose is the abolition of market relations. Markets as the core information-coordination mechanism are replaced by administrative orders. Spontaneously generated market price signals are replaced by memoranda generated by bureaucrats stacked up in hierarchical order. There are two problems inherent in the system of central administrative command planning and two that are specific to China's experience with such a system.

¹⁵ *China Reconstructs*, September 1980, pp. 11–12. Based on a survey of 192 cities.

¹⁶ While admittedly most operational economies are systemically "mixed" (containing elements of markets and administrative command), one or the other element (market or administrative command) dominates each of them.

Problems inherent in central administrative command planning: The system is costly to install, and once installed is subject to serious organic limitations. Typically, the installation of the system is accompanied by the elimination of three key elites: rural entrepreneurs (landlords, rich peasants, "kulaks"); industrial and commercial capitalists; and governmental administrative-technical workers. The former system of markets is gone but there are not enough competent personnel to staff its successor. In short, the installation of the system invariably involves high costs of ability.

The central administrative command way of transacting society's business is also subject to severe limitations that are built into the system itself. The three most staggering are: static resource misallocations (waste), inferior qualitative performance in all but a very few favored sectors, and the cancerous growth of an all-devouring bureaucracy—the system's surrogate for markets.¹⁷ The Chinese are bound to discover that ridding their economy of Maoist accretions and returning it to its purer administrative planning form will leave many current problems untouched, while giving rise to others.

Problems specific to China: Over the years China's leadership factionalism has resulted in the disruption and neglect of planning. The golden rule of bureaucratic planning is to maintain a climate conducive to routine and avoid disruptions of the administrative process. This rule has been grossly violated in China. The agents of disruption have been mass mobilization movements (especially the Great Leap Forward and the Cultural Revolution) accompanied by purges of the planning fraternity. The history of five-year plans in China is a history of still-born, unfinished, unfinishable, and discarded wrecks. Even the only coherent plan—the first, 1953–1957—was not elaborated and published until two-and-a-half years after it had been officially launched. Because of disruptions caused by the Cultural Revolution and its aftermath, the possibility of preparing a five-year plan in 1980 was ruled as being "out of the question for the time being."¹⁸

While mass movements were in progress (and often also during calmer times in between) the theory and techniques of central administrative command planning were neglected. For ten years (1966–1976) some key planning concepts could not be discussed even in private, the forums where ideas could have been aired had been dissolved, and planning methodologies were allowed to go to seed. The strictures on the acquisition of knowledge of Western economic theory and practice were, if possible, more stringent. The statistical apparatus was dismantled.

¹⁷ I have discussed the organic limitations of a centrally planned administrative command system in *Issues in Socialist Economic Modernization* (New York: Praeger Special Series, 1980), especially Chapter 1.

¹⁸ Zhao Zhiyang, briefing visiting Romanian Premier Illie Verdet. *The Asian Wall Street Journal*, December 30, 1980, p. 1.

The result is a low level of theoretical and practical competence in economic planning and management.¹⁹

(3) Productivity

In the simplest (also most accurate) terms, "modernization" means economic growth generated by rising factor productivity, that is, by constantly improving output per man-hour or man-day, capital/output ratios, use of current inputs, and yields per acre. Such improvement is obtained through the application to the economy of evermore advanced science and technology, including micro and macro management know-how. While these remarks apply to all sectors of the economy, in China their relevance is particularly immediate in agriculture.

Increases in agricultural output between 1952 and the present have been obtained mainly through additions of labor and by making farm labor work longer hours and more days. Although qualitative improvements in factors and current inputs have taken place, their contribution to output increases pales before that of additional labor and longer working time. Several independent studies show conclusively that factor productivity in agriculture measured by the gross value of output declined significantly between 1952 and 1975 (from one-quarter to one-third between 1957 and 1975). When factor productivity is measured by value added, the decline is even sharper.²⁰ There is clear evidence of diminishing returns in China's agriculture: "in order to achieve the growth rates in total output, which themselves have had a slight downward trend over time, the Chinese communists not only have found it necessary during the 1960s and 1970s to increase the amount of labor per unit of total output, but also to steadily increase the amount of current inputs per unit of total output."²¹ Unfavorable factor proportions—lots of labor relative to land (including currently available natural resources), capital, and entrepreneurial know-how—and the policy, adopted from the very start, of providing rural employment to all candidates for the labor force, are by themselves capable of explaining the serious problem of diminishing factor productivity in agriculture. Unresolved institutional problems of collectivized agriculture and a faculty

¹⁹ By 1980 when roughly 800 commodity groups were scheduled for inclusion in material balances planning (10% of them prepared by the Planning Commission, the rest by ministries), the possibility of future comprehensive central administrative planning was as good as given up. *Beijing Review*, November 24, 1980, p. 25. However, the informational and structural prerequisites for handling the allocation process by markets (scarcity prices and a degree of competition) were missing, and knowledge on how to combine, plan, and market was deficient.

²⁰ Thomas G. Rawski, *Economic Growth and Employment in China* (New York: Published for the World Bank by Oxford University Press, 1979), p. 121.

²¹ Robert F. Dernberger, "The Program for Agricultural Transformation in the People's Republic of China," in *Proceedings of the 7th Sino-American Conference on Mainland China, Mainland China in the Post-Mao Era* (Taipei, Taiwan: Institute of International Relations, 1978), p. II-2-25.

incentive system can also be offered in partial explanation. The forcible resettlement of millions of urban youths in rural areas has compounded the problem of the peasants' low marginal productivity by introducing an element of disaffection into the countryside.

That element is visible in urban industry where it goes by the name of "labor indiscipline." Together with deficient managerial expertise, bureaucratic interference in plant operation by party and governmental agencies external to the firm, the systemic propensity of managers to hoard labor, capital, and key current inputs as a hedge against the all too common practice of the planners' upping output targets without warning, and unintegrated lopsided investment, labor indiscipline adversely affects industrial productivity not just on the periphery, but in giant strategic enterprises such as Anshan, Wuhan, Baoshan, Daqing, and the Kailuan coal mines.

The dimensions of the productivity problem in industry are more controversial than those in agriculture. It is certain that in the favored heavy industry branch, factor productivity rose rapidly during the 1950s, a time of fuller utilization of previously underemployed or inoperable capacity and of massive technology transfers from the Soviet Union. It is probable that in the 1960s factor productivity more or less leveled out, and that it declined in the 1970s. Similar trends appear to hold for light industry. By and large, in cooperative industry (the so-called five smalls, but others as well) labor intensity is greater, capital endowment per worker smaller and more obsolete, and factor productivity lower than in urban state industry. All branches of industry (state, cooperative, urban, rural, heavy, light) suffer, we are told, from product quality problems, great materials intensity (e.g., in electricity generation), underutilization of capital equipment, imbalanced capital endowment as between principal and auxiliary intraplant operations, and underemployment of labor.

(4) *Prods*

The system of incentives has been identified by the post-Mao leaders as deficient in its ability to elicit efficiency from workers and managers alike. Some of the deficiency is said to be due to the modest level of China's economic development; some is ascribed to incentive policies pursued in the past. The issues can be grouped into three sets: subsidiary function of incentives in the system, low level of incentives, and the incentives' defective structure.

Subsidiary function of incentives in the system: Until 1977, but to an extent today also, the mechanism of incentives (work points, wages, bonuses, prizes) was relegated in China to a subsidiary role. Labor was allocated administratively by labor bureaus, employment was for all practical purposes guaranteed for life (it still is very hard for a manager

to fire a worker in China), enterprises even though bankrupt under any reasonable definition were not allowed to go out of business, and promotion was often more a matter of correct political consciousness than of demonstrated productivity and professional competence. It has long been noted that intersectoral and regional wage differentials did not mirror what the planners declared to be their preferences. Intra-plant wage and salary differentials were progressively narrowed and did not reflect the relative scarcity of trained managerial and technical talent. During periods of left-wing supremacy, the secondary role of incentives was made even clearer by an ethic that disparaged, indeed punished, attempts at legitimate material self-advancement and stressed collective moral prods. In the past " 'rich' was as fearsome as a tiger. No one dared to become outstanding. Everyone was willing to be backward and proud of being poor."²² Although the functions of material incentives has been upgraded since 1977, it still remains by and large true that there is no market for labor in China and that most workers continue to be directed to jobs by labor bureaus.²³

Low level of incentives: This problem has already been raised under (1) *Poverty*. Low absolute levels of income militate against improvements in labor productivity. A foreign businessman involved in a joint venture project in the Shenzhen economic zone noted that the levels of wages and other incentives set by the Chinese partners were not high enough to encourage productivity, even though they were higher than elsewhere in China.²⁴ Over the almost two decades before the death of Mao there appears to have been little if any improvement in per capita rural incomes and a regression in real per capita urban wages. Real wages of workers and staff (1952 = 100) were 131 in 1957 and 115 in 1974.²⁵

Defective structure of incentives: The structure of incentives has been criticized under the following headings—egalitarianism, the locus of income distribution in the countryside, the absence of competition, violations of the rights of persons and collectives, and codetermination—each of which will be discussed in this section.

It is claimed that under leftist influence income distribution erred

²² *Renmin Ribao*, May 16, 1980, p. 5, in *Foreign Broadcast Information Service (FBIS)*, May 22, 1980.

²³ In the future "the state will not be responsible for assigning jobs to graduates of vocational middle schools, vocational classes, vocational and technical schools, and agricultural middle schools, but will employ the best." *Beijing Radio*, May 30, 1980, in *FBIS*, June 4, 1980.

²⁴ *China Trade Report*, Hong Kong, May 1980, p. 5.

²⁵ Christopher Howe, *China's Economy: A Basic Guide* (New York: Basic Books, 1978), p. 176. The decline in real per capita wages between 1957 and 1974 has been to an extent offset by rising labor participation of urban households. Large numbers of women have entered the labor force in the last twenty years. Rawski believes that rural incomes rose between the 1950s and the mid-1970s. Rawski, *Economic Growth and Employment in China*, p. 127.

on the side of "equalitarianism." In the countryside as much as 90% of the income available for distribution to production team members was allegedly distributed on a straight per capita basis (nearer 70% at the present time). In the cities intra-plant wage differentials were narrowed through the elimination of the higher-paid grades and wholesale promotion of workers from the lowest two grades. To this day the tendency of managers to make wholesale promotions (with little heed to differences in individual merit) and to distribute bonuses equally (i.e., to regard them as simple supplements to a low basic wage) is deplored in the press.

The policy makers are caught on the horns of a dilemma, especially in the vast countryside. Given the very low per capita income from collective work, equal distribution of the little there is to share appears to be almost an objective necessity. Sizeable income differentials would mean that many people would go hungry, and some would starve. While egalitarian systems of income distribution do as a rule have disincentive effects on labor, the rule is perhaps suspended where the absolute level of distributable income is minimal. "There is the view that distribution according to work is all right theoretically but is not practicable in actual practice. Egalitarianism is wrong but is compatible with the 'national conditions and popular will' of our country. It is capable of arousing the enthusiasm of the whole body of workers and is practicable in actual practice." (In addition to a low per capita income level, "national conditions" cover unscientific and irrational work quotas. In such circumstances "more pay for more work [is] likely to impair unity among workers.")²⁶

Under the regime of the left there had been a tendency to regard the production brigade and the commune as organizational forms ideologically superior to the much smaller production team, work group, and the individual household. This resulted in constant pressure to shift the income distribution function from smaller (team) to larger (usually brigade, sometimes commune) units. It is now argued that from the standpoint of incentives the larger unit is a less suitable income distribution point than the smaller unit: the former tends to be out of touch with what actually goes on at the production front.

Outside agriculture the push toward "higher" relations of production has translated itself (not just under the Gang of Four) into a quest for organizational bigness and the concurrent elimination of numerous small enterprises, especially those providing services to the population.²⁷

²⁶ *Gongren Ribao*, May 22, 1980, pp. 1, 3, in *FBIS*, June 25, 1980.

²⁷ In 1957 there were 10 retail stores for every 1,000 persons; in 1979 there was only one retail store per 10,000 persons. In 1957 there were about 1 million shops in the country; in 1979 there were only 190,000. *Renmin Ribao*, February 15, 1980, p. 5, in *CNA*, No. 1178, April 11, 1980, p. 6. In the early 1950s there were 70,000 retail stores in Beijing; in 1980 only 10,000 were left. *Beijing Radio*, May 28, 1980, in *FBIS*, June 2, 1980.

Indifference to the requirements of divisibilities has resulted in troubles with the supply of consumer goods. It compounded the incentive problem and helped "sap the enthusiasm of the masses for production."

It is now said that there has been too much stress on individual worker and enterprise security and on socialist cooperation; too little on interpersonal and interfirm competition. "Socialist emulation" was widely practiced, but socialist emulation, it is now argued, relies too heavily on nonmaterial, normative incentives (pats on the back) and disincentives (loss of face). It makes unwarranted assumptions about the degree to which people have been remolded into collectivized, highly motivated, selfless, new socialist beings. Frequent reference is made to the "unbreakable iron rice bowl" from which everyone helps himself. As already noted, this refers to lifelong job tenure for individual workers and the immortality of socialist enterprises. The weakness has been accentuated by ideologically motivated insistence on the self-reliance of firms and regions, an insistence strengthened by the system's chronic propensity to develop material supply shortages (hence the managers' tendency to protect and isolate themselves from others by input and capacity hoarding and vertical integration).

Under the regime of few laws and fewer legal procedures, we are told that there were frequent transgressions against the "legal rights of persons and collectives." These included branding anyone with an extra pig or two as a capitalist profiteer, confiscating private plots, commandeering team labor for commune-wide works without compensation, taking over private and public housing, and other breaches of socialist legality. Perhaps the two measures that most seriously affected incentives had been the moral opprobrium attached to the slightest manifestation of personal material advancement and the actual (as distinct from rhetorical) disregard by higher authorities of the division of rights and responsibilities among different levels of the economic hierarchy (especially the cavalier manner in which the "three levels of ownership" were treated within the commune organization).

Codetermination refers to attempts by economic systems to involve workers in the shaping of their working environment. The left solution to China was to (1) repeatedly tear away the mystique attached to managerial and technical rank by sending managers and technicians down to the factory floor or out into the fields where they labored as ordinary workers; (2) appoint workers to managerial and technical review boards (revolutionary committees, various "three-in-one" formations for the scrutiny of technical innovations); and (3) allow (indeed, mandate) the putting-up of big character posters in which workers could air their complaints against managements. More generally, the managerial process was subjected to "open-door big debates," which were supposedly in sharp contrast to the earlier elitist system of settling managerial problems by managers behind closed doors. The left solution was denounced

after 1976 as a fraud, an invitation, at best, to factionalism and anarchy. Open-door big debates are now out, but the issue of meaningfully associating workers in managerial and technical decisions affecting their work lives remains starkly posed in China as elsewhere.

The contradictory pulls and dilemmas of China's incentives policy can be seen from the following excerpt from an article that appeared in *Zhejiang Ribao* on February 9, 1980: "We must on the one hand oppose the reactionary fallacies of building socialism in poverty, transition [to communism] in poverty, making revolution in poverty, and so forth . . . and on the other oppose the idea of realizing a so-called welfare state in China now. Our principle has always been: 'One inch of increased production, one-tenth of an inch of additional welfare. . . . We must maintain the bonus system but must not excessively hand out bonuses. We must adhere to the principle 'to each according to his work' and 'more pay for more work,' but must also take care of the entire country and our neighbors."

(5) *Popular Psyche*

Even the best combination of incentives judiciously applied will have slight effect if popular morale has been undermined and disaffection has set in. Despite decades of massive human engineering in school and in society at large, there are just so many 180° turns in the official truth that can be absorbed by people within a given time span without schizophrenic damage and adverse repercussions on the leadership's credibility and the regime's legitimacy. Indications are that morale problems in China are serious and that they beset both the population at large and the cadres.

Morale problems of the masses and cadres: In the population at large morale problems show up in cynicism, labor indiscipline, and street crime (especially among the young). Because of accumulated frustrations and disbelief, popular aspirations kindled by the four modernizations and the promise of even-handed socialist legality, urgently and insistently require a reasonable degree of fulfillment this time around.

In the ranks of party and government cadres, morale problems assume three forms: passivity, active opposition, and graft. Passivity (sometimes referred to as "ossification" or "semiossification") is the unwillingness of cadres at all levels, but especially at middle and lower echelons, to make the needed decisions. This reluctance springs from (well-founded) fears of possible future retribution by a renascent left or even by the existing bosses if they change their minds about the propriety of revisionism. Over three decades the conventional wisdom has been that it is better to make mistakes on the left than on the right. Now the cadres are asked to make what look to them like whopping mistakes on the right. Cadre passivity is officially denounced as the greatest single obstacle in the path of the four modernizations; the

bureaucratic surrogates for the market mechanism refuse to function, or function "formalistically." There is also much outright resistance to the new course, which die-hard leftists see as a betrayal of the ideals of Marxism-Leninism-Mao Zedong Thought. More often, such opposition stems from the apparat-men's self-serving personal motives.²⁸ Finally, there is graft, which is partly an organic component of any bureaucratic system, partly a not unexpected reaction of cadres to the political uncertainties, hazards, and perils of the present, yet another "historical transition." It is not unreasonable for veterans of May 7th reformatories to make the most of it while the going is good. "Our socialist moral standards have degenerated and social practices have been corrupted."²⁹

"The Chinese," says one observer, "feel deceived and many have lost faith in their leaders, their unity, even themselves. . . . Confusion exists over such basic matters as what is right and wrong, good and bad. . . . People no longer have confidence in the Party. The previous store of selflessness and patriotism has been squandered."³⁰

6) Prices

Prices as information and coordination devices: Reform proposals envisage that the "law of value" (market relations) and "economic levers" deriving from that law will play a larger role in the economy than they have hitherto. The key economic lever consists of prices that would indicate with a fair degree of accuracy the scarcity relationships (opportunity costs) within the system. However, in China at the present time most prices—certainly those set by the state authorities—suffer from two major disabilities. First, they do not properly measure production costs; second, they fail to reflect the relative utilities of goods to users. Costing procedures do not include charges for the capital and land used in production; in other words, they understate actual production costs. Given the many years of planning disarray, there is the further probability that the costing is haphazard and spotty. Some commodities are sold at prices that do not fully cover even the undercounted production costs. Grain, for example, retails in towns at prices that are below computed average costs of production. The grain-related subsidy is said to be in the neighborhood of 20 billion yuan (\$13.3 billion) a year.³¹

Most prices, including those of centrally rationed key inputs, do not respond automatically to underlying changes in cost and demand conditions, but are altered when the authorities get around to it, often on an ad hoc or hit-or-miss basis. In the context of administrative labor allocation, wages are also not reliable indicators of marginal productiv-

²⁸ As much as half the Party membership had been "helicoptered" into its present positions by the Cultural Revolution. A lot of careers are on the line.

²⁹ *Banyue Tan*, No. 2 (1980), in *FBIS*, June 3, 1980.

³⁰ Frank Ching, "Peking's Crisis of Confidence," *The Asian Wall Street Journal*, December 27, 1980, p. 4.

³¹ Wang Bingqian, "Report on Financial Work," delivered to 3rd Session, 5th National People's Congress, *Beijing Review*, September 29, 1980, p. 16.

ities, skill distribution, or planners' intent, for that matter. In short, in their present condition, prices in China cannot be used as carriers of economic information and instruments of coordination. They will not help the planners arrive at internal consistency and optimal allocative decisions.³² Given the state of economic science in China today, it is unlikely that a major price reform will be carried out in the foreseeable future, even if such a project were feasible politically. If the reformers are serious about increasing the role of the law of value and of economic levers in the economy, that means a change of system.

Inflation: Overt inflation has made its appearance in recent years. The officially conceded rate of inflation (general level of retail prices, including state-set prices, negotiated prices, and prices on "free" rural fairs) was 5.9% in 1979 and 6% in 1980, but informal sources put it much higher and speak of some prices "getting out of hand." Unofficial testimony is confirmed by official but (at the time of writing) confidential statements warning that unless stringent fiscal and monetary measures are taken, an "explosive" inflation is imminent.³³ The inflationary surge is attributed to budgetary deficits going back to 1978 and totalling \$11 billion in 1979, around \$8 billion in 1980 (roughly 10% of each year's budget from 1978 through 1980), and an expected \$3.25 billion in 1981 (a figure that is probably too low).

A good part of the persistent deficit is due to overambitious capital outlays initiated in the euphoric early years following the death of Mao, but also to the large subsidies paid to keep inefficient enterprises afloat and lower the cost of basic necessities to the consumer. A second major cause of inflation cited by officials is excessive currency issue, part of it bound up with urban money wage increases initiated in 1977 and back-payments of salaries to people labeled during the Cultural Revolution as rightists and capitalist-roaders. Besides open inflation, there is widespread suppressed inflation: the manipulation by sellers of weights and measures, assortment, and quality of products, shortages of goods, bribery (to bribe someone is effectively to raise the price of the product sought), and black marketeering.

(7) Placement

Most observers agree that the Chinese economy since 1957 has shown high levels of employment in both the countryside and in urban

³² "The prices of many of our products now grossly deviate from their value and this has become a major reason for the differences in the amount of profit made [i.e., it has made profit an unreliable indicator of enterprise efficiency.]" Xue Muqiao, "On Reforming the Economic Management System," *Beijing Review*, March 24, 1980, p. 22.

³³ Zhao Zhiyang, *The Asian Wall Street Journal*, December 30, 1980, p. 16. The agricultural procurement price index rose 22.1% in 1979 and 7.1% in 1980. The general level of retail prices in 1980 rose 8.1% in the cities and 4.4% in rural areas. Consumer goods prices rose by 7.1% and means of production for rural use by 1%. *Beijing Review*, May 18, 1981, p. 17.

areas. Between 1957 and the mid-1970s, agriculture absorbed an additional 100 million workers. The average number of workdays per agricultural worker devoted to collective work rose from under 200 a year in the 1950s to about 250 days a year in the mid-1970s (250 workdays per year is regarded by the Chinese authorities as representing, on the average nationally, full employment levels).³⁴ The nonagricultural labor force more than doubled between 1957 and the mid-1970s (i.e., it roughly kept pace with the annual population growth rate of about 2% over the period). Compared to other developing countries with similar income levels, China's performance in providing work for its growing multitudes has been remarkable. However, employment problems are not absent and there is the possibility that they may become very troublesome in the future. Side by side with full employment, there is at present unemployment, underemployment, and misemployment. Of these, unemployment has received the most publicity in recent years.

Unemployment: Overt unemployment appears to be limited to urban educated youths who fall into two categories: those sent down in the past to the countryside and who (in contravention of the law) returned to the cities but have been unable to land a job; and more recent graduates of junior and senior middle schools who are not in the top percentiles of their graduating class, or who failed college entrance examinations, have not been assigned urban-based jobs by labor bureaus, and have evaded transfer to the countryside. The first category alone runs into the millions. A figure mentioned by Hua Guofeng implied that some 7.4% of the urban labor force (about 7.4 million people) were unemployed in 1979. Western estimates point to a figure nearer 20 million or about 20% of the urban labor force.

Underemployment: Underemployment in agriculture is of two kinds. While in areas of so-called high and stable yield (roughly one-quarter of total cultivated land and the same proportion of the rural labor force) the annual average number of workdays per worker is 300 or more, in the remaining parts of the country this number is below the national average of 250 days, suggesting underemployment. In addition to this kind of underemployment, there is some voluntary idleness caused by the peasants' perception of the modest rewards (especially cash benefits) they derive from extra effort for the collective. Such perception is well founded if, indeed, per capita real rural incomes from collective work have not risen much, if at all, over a period of nearly twenty years.

Underemployment in industry seems to be quite important and due in large measure to labor hoarding by managers as an insurance against unpredictable upward revisions by the planners of the enterprises' output plan. This is a systemic defect not limited to China. Some idleness may also be linked to the operation of the incentive sys-

³⁴ The implications of adding these huge multitudes to a relatively fixed land base have been touched upon earlier under (2) *Productivity*.

tem (guaranteed employment, too much egalitarianism) and to the aftereffects of the Cultural Revolution in the form of labor discipline problems. Underemployment of both labor and capital in industry is also caused by frequent interruptions in the supply of key material inputs (e.g., coal, electricity) or by the supply of defective inputs.

Misemployment: To an extent the morale problems of China's workers can be ascribed to the misemployment of a good part of the labor force, especially of the educated young. Misemployment means the employment of a worker at tasks that are out of line with his training, well below the person's educational attainments, or irrelevant to them. In developing countries that have rapidly expanded the quantity of education at the elementary and lower-middle school levels, some misemployment of new entrants into the labor force is inevitable. This has been compounded in China by a strategy of labor-intensive agricultural development (which meant that most middle school graduates would end up performing back-breaking farm tasks) and by the failure of political education to lower the level of material and personal career aspirations. Despite years of massive efforts at behavior modification, the new socialist man has not emerged and most Chinese youngsters still cling to the hope of some day becoming an official or simply a factory worker. In addition to such "objective" misemployment (misemployment caused by the inability of the economy at its present developmental stage to generate enough jobs for the educated), "subjective" misemployment was practiced for many years. Large numbers of educated people (especially the older generation) were deliberately assigned to menial jobs in order to raise their political consciousness through hand labor and contact with the masses of poor and lower-middle peasants. During the Cultural Revolution, tens of thousands of scientists, engineers, technicians, managers, writers, musicians, artists, and others were treated to prolonged terms of misemployment.

(8) Public Schooling

Formal education is a heavily damaged area in China today. The subject has been extensively and penetratingly discussed since 1977 and only the briefest reference to it will be made here. The important point, it seems to me, is that the damage is due not just to the Cultural Revolution's disruption of schooling and left educational reforms, although these were bad enough. The whole complex of educational philosophy and method is at fault, some parts of it rooted in Chinese tradition, but most inherent in the doctrinal flaws and limitations of Marxism-Leninism and the dictatorial, heavily politicized, pedagogical procedures imported from the Soviet Union in the 1950s. Unraveling the crazy-quilt patchwork of left wing educational reforms (some of them dating

back to 1958) is not enough to support the four modernizations. When all the unraveling is done, the core of an essentially Stalinist system of education is exposed with all its intellectual monstrosities. The desperation of the new, post-1977 students is concerned precisely with this issue of persistent intellectual fetters and forbidding areas. Even after the "second liberation" (the smashing of the Gang of Four), "most of our time," the students write, "was wasted in memorizing dogma and the words of the teacher. . . . As for political economy, all we had to do was copy down the Marxist formulas on the blackboard and we had accomplished our duty. . . . Our future work assignments will have nothing to do with our personal situations. . . . We who crave independent thinking cannot be our own masters. . . . Our talents are insulted, our value is mocked. . . . We despair."³⁵

(9) Population Growth

The problem is known, now fully acknowledged, and evident. China is adding nearly 12 million people a year to its multitudes and cramming them into a more or less fixed cultivated area. Rural population has more than doubled since 1950, but the cultivated acreage has remained unchanged or may indeed have shrunk.³⁶ The rate of population growth has been brought down from an annual 2.2% (1949-1970) to about 1.2% (1979), with eight provinces and municipalities reporting rates below 1%. The plan for 1980 was to bring the rate down to 0.9% nationally, and then aim for 0.5% as soon as possible. The Malthusian specter of diminishing returns has been noted earlier.

The task of lowering the birth rate is very arduous and the outcome uncertain at best, for the following reasons. Past success in lowering the rate of natural population increase through a marked compression of the birth rate has been due to a workable combination of (1) normative inducements to postpone marriage, reduce the number of children per family, and space out childbearing, which apparently found a positive response from young people because of patriotism, approval of the revolutionary cause, willingness to make personal sacrifices for a social purpose seen as worthy, and respect for authority; and (2) tough organization that made sure that the cause of family planning was hammered home and that transgressions were promptly and severely dealt with. This organization, reaching right down to the individual family unit, used a variety of measures to accomplish its purpose. These measures included withholding permission for young peo-

³⁵ *The Asian Wall Street Journal*, December 27, 1980, p. 4.

³⁶ Beijing, Xinhua, November 18, 1980, said that between 1957 and 1977, 180 million mou of prime agricultural land (roughly 30 million acres) were lost to wrong-headed "grain first" policies and urban sprawl. *FBIS*, November 26, 1980. Output increases in the period 1957-1977 were due mainly to labor-intensive multicropping (i.e., enlarging the "sown" area).

ple to marry at the legal marriageable age, withholding ration cards when a certain number of children in a family was exceeded,³⁷ separation of husband and wife through the rustication movement, banning married people from colleges and universities, putting persuasive pressure on party and government cadres to have no more than one child, prescribing when a woman worker in a given factory was permitted by the appropriate factory committee to have a child, and other means. All this worked primarily because there was a large if dwindling reservoir of mass involvement in the social cause, and a store of selflessness, patriotism, and idealism. Now, after thirty years, the older people feel cheated and many of the younger people feel nothing. Perhaps this is putting it too strongly, but it is not too far off the mark.

Family planning now relies on a new combination (how workable remains to be seen) of material inducement to families that limit the number of children (money payments, allocation of extra housing space, greater opportunity for the single child to enter college) and organization.³⁸ The organization is as tough as ever, but today it has to deal with widespread disaffection, not to say demoralization, of the population at large and the younger segments of it in particular. Large numbers of married people who in the past had postponed having children in answer to the party's call are now likely to turn a deaf ear to renewed appeals by a party that has lost much of its credibility and that gives the impression of not knowing where it is going. Others regard the party's mixing in their family affairs as a violation of traditional family prerogatives and a negation of the newly proclaimed socialist legality with its insistence on the right of persons. "[Some people] say that it is wrong to advocate that families should have only one child. Still others say that seven years from now, families will be encouraged to have a second child and that there will not even be restrictions on having a third child. . . . [Some women have artificially terminated their pregnancies.] Some people say they are foolish and that honest people are suffering. . . . It is extremely wrong for people to deliberately make things difficult for planned parenthood workers."³⁹ Cases of planned parenthood workers' being beaten up by outraged peasants have been reported. Given the fact that the more "labor powers" there are in the family the greater the household income, and that this is the one relatively sure way of living above the subsistence level represented by the basic grain and oil allotment, it is not surprising that the "masses have apprehensions about planned parenthood work." The puritan ethic is also apparently coming in for some hard knocks: "it is by no means

³⁷ Today food ration coupons in urban areas are issued for a maximum of two children.

³⁸ "Those who violate the planned parenthood regulations, along with being criticized and educated, will not be assessed as progressive, awarded bonuses, or promoted, or receive wage increases for three years." Guangzhou, Guangdong Provincial Broadcasting Station, June 2, 1980, in *FBIS*, June 10, 1980.

³⁹ Tianjin City Radio, June 10, 1980, in *FBIS*, June 20, 1980.

permissible to allow the practice of closely following a foreign style without paying attention to national characteristics, such as showing men pursuing women and women fleeing, rolling in the grass, romantic swimming, kissing and hugging."⁴⁰

(10) *Potpourri*

This grab-bag category contains many problems of which only three can be taken up here.

Expertise: Anti-rightist campaigns of the 1950s, periods of left-wing dominance (the Great Leap, the Socialist Education Campaign, the Cultural Revolution of the 1960s, the Lin Biao affair of 1971, and the succession crisis of 1974–1976), depleted, neutralized, and sometimes paralyzed China's professional and scholarly community, and made expertise politically perilous. Even today when professionalism and learning are again in official favor, there are lingering fears that "politics in command" is not quite dead yet and that it might rear its ugly head again sometime without warning. The problem is related to that of public schooling, but it has distinctive ramifications in the crucial spheres of science, technology, research, and development. Symptomatic of the problem is the relatively advanced age of China's scientific corps: of the 1,496 delegates to the 2nd Congress of the China Association of Science and Technology in 1980, 79% were over 50 years old; only 0.9% were under 35. The average age of scientists holding positions of deputy research fellow is 58, and this is not just a reflection of a Chinese penchant for seniority in the attribution of honorable titles.⁴¹ Clearly, scientific research work did not grind to a halt at the time of the Leap and the Cultural Revolution; but it was severely hampered and lost much valuable ground. It had to be done on the sly and clothed in ideologically acceptable garments.

Ecological damage: Extensive ecological damage had been done over the years, side by side with an enormous effort at land melioration. The ecological spoilage had not been noticed by scores of foreign delegations that included groups of soil specialists until it was pointed out by the Chinese authorities after 1976. Today the damage is attributed to the "blind" pursuit of grain cultivation at the expense of everything else. The blindness is in large part systemic. An erroneous order from on high is endlessly repeated as cadres at all levels carry it out in their own way, frequently against the better judgment of the local people. In addition, the influence of politics on economic policy has at all times been very strong in China. This has meant that professional questions were

⁴⁰ *Jilin Ribao*, May 22, 1980 broadcast by Jilin Provincial Broadcasting Station, Changchun, May 21, 1980, in *FBIS*, May 23, 1980.

⁴¹ *Beijing Wanbao*, May 27, 1980, p. 3, in *FBIS*, June 13, 1980.

frequently attacked in a nonprofessional way, questions such as land terracing, hill leveling, and grassland management. The "blind" emulation of the Dazhai model (now debunked as a fraud) was notorious in this regard.

1978 shopping spree: The various defects associated with planning, public schooling, and the influence of rapidly changing political moods on economic policy, combined in 1978 to send officials at all levels on an extravagant foreign buying spree that was not only costly in terms of hard currency and balance of payments disequilibria, but next to impossible to absorb in the time envisaged. On sober reflection, China's leaders have frankly admitted this. Since January 1981 import contracts worth \$3.4 billion have been cancelled. Some \$2 billion worth of equipment ordered from abroad in 1978 and just delivered to China had to be put into indefinite storage. In 1978 Chinese planners were overly optimistic about China's oil-producing capabilities. In a euphoric mood they ordered the construction of 22 major projects that require high energy consumption, but the energy is not there.

Conclusion

The enumeration and discussion of the ten major issues troubling the Chinese economy at the present time are not intended to convey the impression that the problems cannot be overcome. In fact, as mentioned earlier, important policies of readjustment have been initiated and some of them are apparently working. The gloom projected by the litany of woes is only one effect produced by a thorough and unprecedentedly frank self-examination launched by the post-Mao leadership. Such a massive critical inward look is a healthy and positive development (provided it is not used too much for political scapegoat ends—e.g., saddling the Gang of Four with all society's sins), and it cannot but contribute constructively to the search for solutions.

ECONOMIC REFORM VIA REFORMULATION IN CHINA: WHERE DO RIGHTIST IDEAS COME FROM?

Dorothy J. Solinger*

In the social struggle, the forces representing the advanced class sometimes suffer defeat not because their ideas are incorrect but because, in the balance of forces engaged in struggle, they are not as powerful for the time being as the forces of reaction; they are therefore temporarily defeated, but they are bound to triumph sooner or later.¹

Mao Zedong

"Where Do Correct Ideas Come From?"

ANY ORDINARY READER of the Western press has long since divined that the "pragmatic" economic reform proposals now being floated and tested in China would not have been Mao's vision of "correct ideas." Nevertheless, the views emerging recently are re-runs, now being played through the system for the third time. The purpose of this article is simply to document the early PRC sources of some central tenets of the reform agenda that first resurfaced in 1978 and to inform observers of these reforms that China is not, as some have assumed, just now drawing up its plans by looking outward to Eastern Europe

* This article was originally written in February 1980 and, despite the passage of more than a year's time, I have chosen to let it stand, with minor revisions. A more sophisticated treatment of the issues addressed here will appear in Chapter Five of my forthcoming book on the commercial system and its politics.

The following people read and commented on this paper: Shun-hsin Chou, Gardel Feurtado, C. Thomas Fingar, David S. G. Goodman, Richard C. Kraus, Jan S. Prybyla, Thomas G. Rawski, Bruce Reynolds, and Andrew C. Walder. I appreciate all of their suggestions, even though some did not find their way into my revisions.

¹ Mao Zedong, "Where Do Correct Ideas Come From?" In *Selected Readings from the Works of Mao Tse-tung* (Beijing: Foreign Languages Press, 1967), p. 406. (From "Draft Decision of the Central Committee of the Chinese Communist Party on Certain Problems in Our Present Rural Work," May 1963.)

for inspiration for change. Rather, at least some of the more crucial recommendations and experiments being thrust centerstage over the past few years are in fact closely tied to suggestions made in China as early as 1955, a few of which were even tested in 1956 and in the early 1960s.

The reforms were first aired this time around as early as March 1978, when discussions of the Yugoslav economy began to appear publicly. By the time of the Third Plenum of the Eleventh Central Committee held in December 1978, market-oriented politicians, most notably Chen Yun (named a Vice Chairman of the Party at that meeting, and within six months made Head of the State Council's powerful newly created Finance and Economic Commission),² had managed to incorporate into the meeting's decisions the view that enterprises ought to have greater rights of self-determination.³

Since late 1978, an array of interrelated proposals has come forward, all of which revolve around the themes of indirect planning, enterprise autonomy, and the use of economic measures (fluctuating prices to reflect supply and demand; bonuses, wages, employment, and profits to act as incentives; bank loans, as against direct allocations, for investment; taxation of fixed assets; competition among firms; profit retention by enterprises; and interest rates) rather than administrative commands for managing the economy. Reformist and anti-Maoist as these suggestions may appear, for the most part the leadership of the late 1970s has been rehashing and re-viewing, not first considering, much of their substance.⁴

Chen Yun and Xue Muqiao

One striking example of the parallels between ideas propounded by economists today and those of a generation past can be found in two major documents. The first is a speech given by (then and now) Vice Premier Chen Yun at the Eighth Congress of the Chinese Communist Party in September 1956; the second, an article that received much publicity in mid-1970 by the noted economist, State Planning Commission Advisor Xue Muqiao.⁵ Not only are nearly all the important measures

² This commission seems to have been dissolved by mid-summer 1980, although no reason for this has been given.

³ China Journalist Group, "Report from Yugoslavia: A Visit to the Sarajevo Energoinvest," *Peking Review*, No. 12 (1978), pp. 41, 42; see also *China News Analysis* [hereafter *CNA*], No. 1165 (1979).

⁴ A December 1980 Central Party work conference reemphasized central government control over the economy, in the name of "readjustment" of the proportions of capital going to investment versus consumption, and of the percentage of investment to be used for agriculture and for light industry as against heavy industry. *Beijing Review* [hereafter *BR*], No. 14 (April 16, 1981), notes that this will entail slowing down the tempo of the recent reforms (p. 24) and states that the State Council has decided not to extend the experiment in enterprise autonomy to any additional enterprises for the time being (p. 29).

⁵ Chen Yun, "Guan-yu ze-ben-zhu-yi gong-shang-yeh gai-zao gao-chao yi-hou di

that Xue puts forward contained in Chen's 1956 address, but several of these are couched, word-for-word (but without any reference to the past) in the very terms Chen Yun himself once used.⁶ These measures, if put into effect, would constitute a major underpinning for a whole cluster of corollary policies.

Four key proposals in the Xue article are taken directly from the 1956 piece. First and most important, perhaps, is the theme of indirect planning. For the industrial sector, this opens up the pivotal notion of enterprise autonomy. Xue begins by telling his readers that it is impossible to include all kinds of products in the state plan, and goes on to note that, "for the most part, state plans for state enterprises on matters of production, marketing and so on are only for reference purposes." On this point, we find Chen Yun in 1956 lobbying at the Party Congress for the view that "norms in the plan should be for reference only; let factories, according to the situation in the market, set their own norms in carrying out production, not restrained by the norms in the plan. Then, based on their end-of-the-year achievements, they should hand over profits."

Second, both men extend this proposition of indirect and partial planning to agriculture. Chen says that unified purchase will still be necessary in future for grain, economic crops, and important sideline products. However, small local sideline products, in 1956 monopolized by local supply and marketing cooperatives (SMCs), ought to be purchased as well by state stores, co-op stores, and co-op small teams so that goods can circulate freely. Similarly, Xue in 1979 advises sticking, for the present, to unified and negotiated purchase quotas only for grain and other principal agricultural products.

From here Xue leads into his third restated point, in his discussion of price policy. "Make use of the pricing policy," he advocates. "We must learn to regulate agricultural production by means of the law of value," he goes on. A look at the position Chen Yun advanced over two decades before quickly shows us that Xue has nothing in mind that would be new for China. In fact, even when Chen wants to "make price policy beneficial to production," and complains that the stable, frozen, and unified prices then in use are "a phenomenon bad for production,"

xin wen-ti" (New problems after the high tide of the transformation of capitalist industry and commerce) in *Renmin shouce* (People's Handbook) [hereafter *RMSC*], 1957, pp. 85-88. Beijing: Da Gong Bao She, 1957; Xue Muqiao, "Zen-yang jin-xing guo-min jing-ji di ji-hua guan-li" (How to effect planned management of the national economy), *Renmin ribao* (People's Daily) [hereafter *RMRB*], June 15, 1979, translated in *Summary of World Broadcasts*, June 23, 1979, FE/6149/C1-C6 and in *BR*, No. 43 (1979), pp. 14-20. On January 29, 1981, *RMRB* (p. 5) published an article specifically praising the ideas in Chen's 1956 speech.

⁶ Whether Chen was the original author of these ideas is irrelevant. In fact, it is possible that Xue was their creator, if one wishes to believe a Cultural Revolutionary attack on Xue as a "villainous adviser" of Liu Shaoqi, Deng Xiaoping, Chen Yun, and others, and as the "henchman" of Chen. See *Beijing Gongshe* [Beijing Commune] (a Red Guard tabloid), March 22, 1967, p. 2.

he too is only harking back to practices already implemented in the early 1950s.⁷

On this issue both men conclude with the same observation: Chen notes that "prices will eventually stabilize, and free buying and selling will lead to an increase in production and the balance of supply and demand; only production increases can guarantee price stability." In the same vein, Xue argues that, "if the law of value were used to re-adjust prices . . . commodity prices would not go up universally. Instead, some prices will rise and some will fall. This rise and fall will bring the prices of various commodities closer to their real value."

The fourth area where Xue repeats the ideas of 1956 is in the relations between industry and commerce, or production and marketing. Here Xue recalls a scheme originally put forward by Chen, and first enunciated publicly by him on June 30, 1956 at the Third Session of the First National People's Congress.⁸ This scheme, entitled "selective purchase" (*xuan-gou*), has been referred to by a Western observer as "an invention of Chinese right-wing communism."⁹ When Chen proposed the scheme in June, he seemed a bit impatient, as he noted that nothing yet had been done along these lines. For, he reminded his listeners, he had already raised the intimately linked notion of specialized industrial marketing companies at a meeting of the National Association for Industry and Commerce held in November 1955.

Selective purchase, as Chen outlined it at the June 1956 convention (and reiterated three months later as his opening proposal at the Eighth Party Congress); was to entail the following. First, for products closely related to the national economy and the people's livelihood and having simple specifications—such as cotton yarn and cloth, charcoal, and sugar—the method then practiced of unified purchase of factory output and its guaranteed sale by state commercial departments should be preserved, to ensure supplies and stabilize the market. Toward ordinary articles of daily use, on the other hand, that method should be abolished, and the selective purchase system should be introduced (a system similar to the one in use before 1956). For these goods, commercial departments would be able to exercise preferences in their purchases,

⁷ See Dwight H. Perkins, *Market Control and Planning in Communist China* (Cambridge: Harvard University Press, 1966), Chapter Three.

⁸ Chen Yun, "Guan-yu shang-yeh gong-zuo yu gong-shang guan-xi wen-ti" (Questions in commercial work and industrial-commercial relations), *Guangming ribao* (Bright Daily), July 1, 1956. (Hereafter Chen, *GMRB*, July 1, 1956.)

⁹ P. J. D. Wiles, *The Political Economy of Communism* (Cambridge: Harvard University Press, 1962), pp. 168, 173, 175, 182, 186. Wiles is a British economist who specializes in Soviet and Eastern European economies, and his comment that the plan is a Chinese invention is thus informed by his intimate knowledge of these other systems. For more information on the details of and debates on this system, see Zhang Wen, "Dui gong-ye pin di zi-you shi-chang yu jia-ge guan-li di yi-jian" (Opinions on the free market in industrial products and price management), *Da gong bao* (Impartial Daily) [hereafter *DGB*], December 9, 1956. As Andrew Walder has pointed out, although some of the Chinese ideas may be original, in general the leadership is now looking squarely at ideas prevalent throughout the Communist world since Stalin's death (private communication).

making their choices in accord with the quality of the goods and market demand. Those items remaining unpurchased after this selection would be left to the factories either to sell on their own, or to entrust to commercial departments to sell as the factories' commission agents.

Also, factories could freely select and buy raw materials that were not in short supply, and lower-level shops were to be permitted to select and purchase stocks from any wholesale organ and directly from factories anywhere in the country, rather than being the passive recipients of goods from their superior wholesale companies. The purpose was to make factories concerned about the marketability of their products and so to raise quality and suit consumers' needs. In Xue's 1979 reintroduction of this plan, both the scheme and its rationale are nearly verbatim.

A subsidiary suggestion is Chen's June 1956 plan (which he said then he had introduced the autumn before) for industry to organize specialized companies to manage factories' production and sales instead of relying on commerce to handle all processing, ordering, unified purchase, and guaranteed sales. Such companies were in fact instituted in late 1955,¹⁰ but, as if they had never existed before, Xue's 1979 article contains a request that such companies be created. "Departments in charge of goods and materials may set up companies specializing in various kinds of goods and materials to provide consumers with what they need," he proposes. "Certain trades may establish specialized companies for marketing their own products, and contracts on the supply and marketing of goods may be signed between suppliers and marketing agents, giving scope to various forms of circulation."

Chen Yun first envisaged this arrangement as a necessary component of his selective purchase program.¹¹ These companies, once in use, were compared to the socialist industrial trusts of the Soviet Union.¹² It seems likely that Chen's design of late 1955 laid the seed that grew to be the Chinese trusts of the early 1960s for which Liu Shaoqi was given the blame during the Cultural Revolution. Thus this key address that Chen delivered a generation ago, resurrected recently by the pen of Xue Muqiao, offers the essential blueprint for many of the changes the Chinese have been considering: indirect planning, enterprise autonomy, fluctuating prices, and response to the market.

This fascinating incident of Xue's wholesale reintroduction of old ideas needs to be put into a broader context, which can be done by posing several questions. First, how widespread were ideas such as those promoted by Chen Yun in the mid-1950s? The relative prevalence of

¹⁰ See Wang Hung-ting, "The Nature and Functions of Industrial Special Companies," *Xin Jianshe* (New Construction), No. 101 (February 1957), translated in *Extracts from Chinese Mainland Magazines* [hereafter *ECMM*], No. 83 (1956), pp. 6-16.

¹¹ Chen, *GMRB*, July 1, 1956.

¹² Wang, *Nature and Functions*, pp. 11-12; Xu Dixin, "Push to a New Stage the Transformation of Capitalist Industry and Commerce," *Xue-xi* (Study), January 1956; and Guan Datong, "Zhuan-yeh gong-si dui gong-si he-ying qi-ye di jing-ji gong-zuo he zheng-zhi gong-zuo" (The economic and political work of specialized companies toward joint public-private enterprises), *Xin Jianshe*, No. 6 (1956).

reform proposals then will make today seem even less exceptional. Second, did any of the proposals of that earlier period actually influence the economic policies of the day or at any other time between the mid-1950s and the present? Third and last, to what extent have the recent reform proposals been put into effect? Each of these issues is a large one and this article will provide only indications as to their answers.

Proposals for Reform in the Mid-1950s
(with an Aside on the Writings of Xue Muqiao)

The first point concerns the climate in which Chen laid out his proposals a generation ago. It is clear from even a cursory retrospect that the period surrounding the Eighth Party Congress, where Chen delivered his seminal proposals, was a very open one for market-oriented economists. At the Party Congress itself, Chen's ideas carried the day, and in November 1956 he was named Minister of Commerce. Evidence of his victory appears in the Congress proposals for the Second Five Year Plan, where his method of selective purchase for certain goods was to have been combined, just as he had suggested, with the continuation of unified purchase for grain, edible oils, and cotton.¹³

At the same meeting, Li Fuchun, then Chairman of the State Planning Commission, like Chen took up the theme of indirect planning, calling for less detailed plans and more flexibility at the lower levels. In particular, Li proposed allowing lower echelons to set their own targets.¹⁴ The reports of others at the Congress suggested that profit be made the main plan target for evaluating enterprises.¹⁵

Following the meeting, in the first nine months of 1957 official economic journals became arenas for the discussion of many pro-market proposals, the topics of which are all echoed in the reform plans of today. Xue Muqiao himself foreshadowed his June 1979 article in early 1957 in a contribution to *Jihua jingji* [Planned Economy] in which he advocated reducing the scope of planned management, which he said (as he did again in June 1979) cannot be carried out in the collective ownership system; using price policy to adjust purchase and sales, while retaining planned distribution only for certain important products; implementing selective purchase by commercial units and factory sales; and changing from a tight, mandatory, thorough plan to an indirect

¹³ "Proposals of the Eighth National Congress of the Communist Party of China for the Second Five Year Plan for the Development of the National Economy," in *Eighth National Congress of the Communist Party of China* [hereafter *Eighth National Congress*], Volume I: Documents (Beijing: Foreign Languages Press, 1956), pp. 245-246.

¹⁴ RMSC, 1957, pp. 108-111, translated in *Eighth National Congress*, Volume II: Speeches, p. 301, discussed in Franz Schurmann, "Economic Policy and Political Power in Communist China," *Annals of the American Academy of Political and Social Science*, vol. 349 (September, 1963), p. 54.

¹⁵ Schurmann, "Economic Policy," p. 55.

one, written according to market needs.¹⁶ Later in 1957 he wrote, again in that journal, that planning controls ought to cover only a small number of vital products and that production planning for all other products must be determined by the enterprises according to supply and demand.¹⁷ Schurmann presents Xue as the spokesman for Chen Yun's plans at the time,¹⁸ and it is indeed clear that Xue was largely repeating ideas that Chen had put forward a year earlier.

There is no way to know the relationship between Xue and these reform proposals. As an aside, however, it is intriguing to note a certain inconsistency in Xue's writings over the years. Two *Hong Qi* [Red Flag] articles show that on several occasions he has bent his published views to fit the political line of the time. Thus in May 1959, as the Great Leap Forward began to falter, Xue published an article clearly straddling the fence in economic theory.¹⁹ Although he does tell readers that everything cannot be put into the plan, he criticizes "modern revisionists" for denying the plan. While he recognizes the need to use prices for consumer goods and to let such prices fluctuate and even rise, he also pays tribute to the continuing importance of rationing as a means of price control. And, whereas he notes that investment must be set by the plan, a political tool, its proportions are to be decided through economic measures, such as price and economic accounting. The article also is liberally sprinkled with references to how different the economic system will become under communism, a polite and careful concession, no doubt, to the proponents of the Leap.

A 1963 article, criticized in early 1965 by economist Sun Yefang,²⁰ goes much further.²¹ Here Xue comes down decisively on the side of the plan, saying, for example, that "our means of production are allocated and their price need not be influenced by supply and demand." This statement is not only in opposition to his view of 1979 that "it will be necessary to relax our planned management of the means of production, using less planned allocation," but it also contradicted his own

¹⁶ Xue Muqiao, "Zai lun ji-hua jing-ji yu jia-zhi guei-lu" (Again on planned management and the law of value), *Jihua jingji* (Planned Economy) [hereafter *JHJJ*], February 1957.

¹⁷ In *JHJJ* September 1957, pp. 20-24, discussed in Franz Schurmann, *Ideology and Organization in Communist China* (Berkeley: University of California Press, 1966), p. 197.

¹⁸ Schurmann, *Ideology and Organization*, p. 208.

¹⁹ Xue Muqiao, "She-hui zhu-yi zhi-du xia di shang-pin sheng-chan he jia-zhi guei-lu" (Commodity production and the law of value under the socialist system), *Hong Qi* (Red Flag) [hereafter *HQ*], No. 10 (1959), reprinted in *Xinhua banyuekan* (New China Semimonthly), No. 10 (1959), pp. 165-170. This article was criticized by Sun Yefang in "Lun jia-zhi" (On Value) in *Jingji yanjiu* (Economic Research) [hereafter *JJYJ*], No. 9 (1959).

²⁰ Sun Yefang, "Yao quan-mian ti-hui Mao zhu-xi guan-yu jia-zhi guei-lu wen-ti di lun-shu" (Fully understand Chairman Mao's theory on the law of value) reprinted in *JJYJ*, No. 11 (1978), p. 11, but originally written in late 1964 and revised in early 1965.

²¹ Xue Muqiao, "Jia-zhi guei-lu he wo-men di jia-ge zheng-ce" (The law of value and our price policy) *HQ*, No. 7, 8 (1963), pp. 1-9.

earlier words. Even in the Leap-era article, Xue suggests using the market (and not allocation by the state) for exchange among state-operated enterprises when he maintains, if obliquely, that, "some comrades wrongly think there are no value categories or exchange of equal values within the state sector."²²

In this 1963 essay Xue also voices concern about the "possibility that high free market prices would make the peasantry ignore collective production," and so recommends the planned adjustment of such prices, in order to keep price levels in the free market close to those set by the state. Finally, he also worries about inflation in a way that he did not either earlier or later: inflation helps those with higher incomes win out, he opines; in a vein quite foreign to his usual style.

Lest we should begin to lose faith in the integrity of Xue, two further notes offer some insight into the political pressures on economists in socialist China. Just as during the Cultural Revolution self-criticisms were de rigueur (then, for cooperation with past conservative policies), so they have become again today. In the foreword to one of his recent volumes (this one a collection of his previously published essays), Xue at least apologizes for his past "errors": "once we entered the 1960s, we overstressed class struggle and political thought education, and neglected developing the productive forces and the modernization of scientific technique. My essays could not help being influenced by that period."²³

Xue's other remark, which I read as a piece of ironic commentary on the role of the economist in socialist China, appeared in an important article on the employment problem in *People's Daily* in mid-1979. "Some people worry," he comments, "that using the collective enterprise system in the city may be committing a mistake in line. They hope that those in theoretical circles will write more articles to prove that this system does not amount to the capitalist road."²⁴ Perhaps where a flexible ideology can be used to justify major alterations in economic policy in this manner, such shifts are easier to absorb.

Returning to 1957, many other economists besides Chen and Xue wrote in the journals in favor of market strategies. To give only a taste of their range, Sun Yefang, who achieved fame as a Cultural Revolution scapegoat, was already concerned then that profits remitted upward should be based on the financial condition of the enterprise, rather than being fixed as they still were in mid-1957.²⁵

Gu Zhun, expressing himself in June of that year in *Jingji yanjiu* [Economic Research], was attacked six months later (after the political

²² Xue, "She-hui zhu-yi," p. 168. Catchwords such as "value categories" and "exchange of equal values" refer to market relationships and thus prices.

²³ Xue Muqiao, *She-hui zhu-yi jing-ji li-lun wen-ti* (Theoretical Questions in Socialist economy) (Beijing: Renmin chubanshe, 1979), p. 1.

²⁴ *RMRB*, July 20, 1979, p. 2.

²⁵ Sun Yefang, "Speaking about 'gross product value'" *Tongji gongcuo* [Statistical Work], vol. 13 (1957), pp. 8-14, discussed in Schurmann, "Economic Policy," pp. 53-54.

climate changed on the eve of the Great Leap) for having favored free competition; having advocated that individual enterprises arrange their own production plans and organizational measures; having viewed the plan as a forecast that would have no controlling function; having encouraged enterprises to calculate their own profits and losses independently; and for having proposed price fluctuation as a means of regulating production and circulation.²⁶

A last example of this pro-market rhetoric is an article by Zhao Qingxin, also in an early 1957 issue of *Jingji yanjiu*. Here Zhao criticizes the state commercial system for its monopoly-like characteristics, and also speaks out for freer prices as against the stable prices of which the new communist regime was so proud.²⁷ In short, a brief scan reveals quickly that many of the central proposals au courant today also formed the framework for discussion in the very midst of the First Five Year Plan period.

Implementation in the 1950s and 1960s

If one can judge from the press of the day, at least for a period in the autumn of 1956 in the wake of the Eighth Party Congress, experimentation with a measure of enterprise autonomy in marketing did occur, at least in the model factories whose stories were written up in the papers. Such trials, where they occurred, were closely linked to the institution of Chen Yun's selective purchase scheme, which forced factories to be buyer conscious since, if their products were not chosen by the commercial units either because of poor quality or because their specifications did not meet market needs, these goods would pile up in factory warehouses and become the responsibility of the factories.

The factories would then have a choice: they could set up their own retail outlets, or they could entrust the state commercial departments to buy and market their leftovers. Both alternatives, however, meant economic loss to the enterprise—the first entailed the expenditures of managing the business outlet; the second involved payment of commission fees to commercial units.²⁸ Incentives in 1956, then, were of a negative sort. That is, enterprise retention of increase profits was nowhere cited in either the proposals or in the anecdotal press accounts as a possibility; instead, the hope of avoiding financial loss was intended to motivate compliance.²⁹ In the end, then, an enterprise's ability to

²⁶ Gu Zhun, "Shi lun she-hui zhu-yi zhi-du xia di shang-pin sheng-chan he jia-zhi guei-lu" (A preliminary discussion of commodity production and the law of value in a socialist system) *JYYJ*, June 1957, criticized in Zhang Chunyin et al., "Bo-chi Gu Zhun guan-yu jia-zhi guei-lu di xiu-zheng zhu-yi guan-dian" (Refuting Gu Zhun's revisionist viewpoint on the law of value), *JYYJ*, No. 6 (1957), pp. 27–38.

²⁷ Zhao Qingxin, "Guan-yu kai-fang guo-jia ling-dao xia di zi-yu shi-chang di zhu-bu yan-jiu" (Initial research on opening free markets under state leadership), *JYYJ*, No. 2 (1957).

²⁸ *DGB*, October 20, 1956.

²⁹ Schurmann, "Economic Policy," claims that the November 1957 decentralization in industry first established profit as a major production target for enterprises.

adapt to the market would influence whether it could fulfill its financial plan to the state, since only enterprises whose products were purchased could avoid these losses.³⁰ Here then was a market-oriented reform whose ultimate sanction was tied to satisfying planned norms.

Concrete instances of experimentation in 1956 included a wholesale station in Luda that collaborated with a factory in Dalian to trial produce new kinds of women's shoes on the basis of the new situation in the market;³¹ tales of factories selling their own products, and so caring about increasing their colors and lowering costs to suit consumers' needs;³² enterprises buying raw materials and selling industrial articles of daily use with prices that oscillated (if only within a range regulated by the state);³³ and commercial departments refusing inferior products that did not meet market needs, and replenishing their stocks from anywhere in the nation.³⁴ "Go beyond the plan," exhorted a local paper, "adapt to a shifting market."³⁵

Chen Yun's plans, then, were picked up and saw a bit of practice soon after they were enunciated. Within a very few months, however, this episode came to a halt. In January 1957, a State Council directive suddenly ordered that the relations between industry and commerce were to remain as usual in 1957. The reason given was that the new selective purchase system would have required changes in the taxation system too cumbersome to undertake quickly. That is, the decision explained, part of the profits that had been submitted to the state by the commercial departments' wholesale organs would have been passed to the industrial departments from which the state would then have collected them in the form of taxes. The State Council decision voiced a fear that some state income might be lost should industry fail to hand over the requisite taxes in sufficient quantity.³⁶

Thereafter, this mini-market experiment and, along with it, the prerogatives of the commercial units, were slowly snipped away. By May 1957, the local press began to print articles of complaint from a typical industrial planner's point of view. "Commerce only cares about sales," charged one, "and not about factories' needs for balance in production. Frequently changing the ordering plan makes it hard to raise the level of enterprise management."³⁷ In the same vein, another paper accused commercial departments of ordering goods and then not buying them when the slack season comes.³⁸ By March 1958 the *People's Daily* held that "commerce is no good at predicting needs," so that commercial

³⁰ *Jiangxi ribao* (Jiangxi Daily), December 9, 1956.

³¹ *Luda ribao* (Luda Daily), November 18, 1956.

³² *Gongren ribao* (Worker's Daily) [hereafter *GRRB*], October 16, 1956.

³³ *DGB*, October 5, 1956.

³⁴ *DGB*, October 20, 1956.

³⁵ *Guangxi ribao* (Guangxi Daily), November 18, 1956.

³⁶ *Survey of the China Mainland Press*, No. 1473, pp. 10-11 and No. 1497, pp. 5-6 (both 1957). See note 49 below.

³⁷ *Chengdu ribao* (Chengdu Daily), May 24, 1957.

³⁸ *Quangjiang ribao* (Yangtze Daily), May 31, 1957.

units should, as they had before Chen's experiments, simply guarantee to purchase whatever industry produces.³⁹ This short-lived exercise in market freedom was apparently beaten back by the proponents of the plan, not to reemerge until the Great Leap Forward had played itself out.

The Ninth Plenum of the Eighth Central Committee in January 1961 again explored the concept of market coordination. Although in-depth analysis of this period is beyond the scope of this paper, it is clear that no wholesale alteration of the economy took place. That Party Plenum mandated that even major industries must reorient production to the needs of the consumer, and the "independent operational authority" of factory managers received emphasis. Enterprise profit, according to Schurmann, became the major success indicator of the enterprise, in contradistinction to the First Five Year Plan's gross product value. Advertising media helped to connect supply with demand more than in the past, and some changes that Schurmann noted in the financial controls placed upon enterprises indicated that these were substituting for detailed production targets. Such changes were much like those being suggested today: reforms in banking, restraints on loans, and investment quotas.⁴⁰ Also, above-target profits were to serve as a basis for additional rewards.⁴¹

Articles in both theoretical economic journals and in the daily press did take a cue from these new policies, but the impression these give is that the extent of free expression, the degree of market experimentation, and the time period all were limited. For instance, an article by Xu Dixin in an early 1961 *Hong Qi* overtly criticized the Guomindang's "state monopoly capitalism." But this article could well have been a covert appeal to loosen the exclusive control over marketing exercised by the Communists' state in 1961.⁴² Later in the year, socialist commerce was praised for "serving the consumers," a seemingly leftist slogan, in a *Hong Qi* piece that managed to insert as well some references to limits on the possibilities of planning, along with advice to pay attention to business accounting and to market research.⁴³

More explicit recommendations were made in these years, advising that profitability and efficiency be made the foundation for investment and that the forces of supply and demand, rather than administrative commands, set prices.⁴⁴ But the most extreme positions, such as Sun Yefang's advocacy of using the profit norm as the sole criterion for

³⁹ *RMRB*, March 12, 1958.

⁴⁰ Schurmann, "Economic Policy," pp. 62-65.

⁴¹ Schurmann, *Ideology and Organization*, pp. 297-298.

⁴² Xu Dixin, "Concerning State Monopoly Capitalism in Old China," *HQ*, Nos. 3-4 (1961), pp. 38-46. Translations from *Hung Ch'i*, U.S. Joint Publications Research Service [hereafter *JPRS*], No. 8123, pp. 59-72.

⁴³ "Think of the Consumers in Every Way Possible," *HQ*, No. 17 (1961), pp. 1-4. Translations from *Hung Ch'i*, No. 47, *JPRS*, No. 11021, pp. 1-6.

⁴⁴ Merle Goldman, "The Unique 'Blooming and Contending' of 1961-'62," *China Quarterly*, No. 37 (1969), p. 63.

evaluating enterprise operations, of giving jurisdiction over depreciation funds to basic-level enterprises, and of generally expanding enterprise autonomy were for the most part not issued publicly. It was only when Chen Boda printed Sun's essays in *Hong Qi* as negative material for criticism on the eve of the Cultural Revolution that they saw the light of day.⁴⁵ Furthermore, the uncertainties of this period were such that by early 1963 Xue Muqiao had submitted his very leftist-leaning essay to *Hong Qi*,⁴⁶ and even Sun Yefang himself openly denied the need for a bonus system and for enterprise profit retention.⁴⁷

In the daily press of this period there were stories about the marketing arrangements of factories. But throughout this time such reportage did not describe arrangements bestowing upon factories the degree of freedom lent by the 1956 selective purchase venture. Instead, one finds a kind of search for a formula whereby industry and commerce can collaborate on an equal footing so that industry need not submit fully to the demands of a shifting market, and yet some direct factory-shop linkages might lessen the cumbersome qualities of a planned purchase system. Nowhere do we see factories freely marketing their own commodities, and if the profit principle was truly in practice as an incentive for sales activity, there is no indication of it in the papers.⁴⁸ With the Cultural Revolution, of course, all advocacy of profits and markets quickly subsided, not to reemerge in any force until 1978.

The evidence from 1956 and from the early 1960s is similar: in both periods proposals surfaced and were even made into policy, as at the Eighth Party Congress and at that Congress' Ninth Plenum. But, despite some theoretical advocacy and a certain degree of implementation, at neither time did these experiments reach full fruition before a counter-current, favoring the plan, obstructed a further extension.

Implementation Today

This brief review of two earlier phases of reform formulations and their fates has sketched out the background against which the current

⁴⁵ Sun Yefang, *She-hui zhu-yi jing-ji di ro-gan li-lun wen-ti* (Certain theoretical problems in socialist economy), (Beijing: Renmin chubanshe, 1979), pp. 1-2.

⁴⁶ See *supra*, note 21.

⁴⁷ Sun, *She-hui zhu-yi*, p. 3. Like Xue, Sun apologized for this error in this volume published in 1979.

⁴⁸ Numerous articles over this period bear this out. See, for example, *DGB*, February 18, 1961, where commerce is urged to help industry improve quality; *DGB*, March 8, 1961, where commerce gives industry the results of its market research so that product designs can meet consumers' needs; *RMRB*, July 29, 1961, in which commerce helps industry draw up its plan; *RMRB*, August 13, 1962, where commerce and industry sign production/sales contracts and commerce does not just supply materials and take finished products as in the past, but helps to improve quality; *Nanfang ribao* (Southern Daily), November 2, 1961, where both sides (industry and commerce) work together on good production; *GRRB*, January 17, 1963, in which the two hold periodic meetings to sign contracts; and *DGB*, January 18, 1963, February 12, 1963 and February 19, 1963, all of which describe various forms of direct links between commercial and industrial units, but only for small commodities that are outside the plan does any genuinely free market-type exchange occur.

critique of the planned economy must be viewed. Only about a year has passed since the recent recommendations were enunciated as policy. However, it is already clear that this time the experimentation, while still not as far-reaching as the ideas of some theoretical economists, has gone further and is being taken more seriously than at any previous time.⁴⁹ Receiving the most publicity have been the one hundred test-case factories in Sichuan.⁵⁰ Here factories that could increase their profits for two years were told they would not have to turn over the increased portion to the state; five percent of normal profits could be retained by factories and invested as they wish; after fulfilling state quotas, these units could sell their excess products; and finally, they could purchase their own raw materials wherever they chose.⁵¹

In other parts of the country Chen Yun's 1956 selective purchase design has been revived, but, unlike in the earlier periods, this time profits are clearly being used as the incentive to lubricate the operation of the system.⁵² Tales of factories selling articles outside the plan have dotted the papers: in Canton, for example, loss changed to profit when a factory trial-produced a new item and improved it to accord with market demands.⁵³ In Nanjing, factories rearranged the priorities assigned to their planned items in the order of their respective market-ability.⁵⁴ Retail shops in Hangzhou were permitted to replenish their stocks on their own from production units and brigade enterprises.⁵⁵ Textile factories are vying for the market, and an enterprising Chinese medicine shop in Beijing did market research and thereby beat out its competitors.⁵⁶

Interestingly, however, this time again official policy in this area has not gone as far as Chen Yun proposed in 1956 (and as Xue Muqiao

⁴⁹ Although talk of enterprise autonomy is still current in China as of this writing (mid-May 1981), restrictions harking back to 1957 and the mid-1960s have been applied in recent months. Also, a State Council directive of December 7, 1980 mandated that henceforth enterprises could set the prices for only minor industrial products (*RMRB*, December 8, 1980, p. 1); and a subsequent order by the State Council attacking speculation and smuggling ruled that industrial-commercial administrative management departments should "strengthen their guidance and control" over sales by industrial enterprises (*RMRB*, January 16, 1981, p. 1). Moreover, the State Council decision to restrict autonomy to those enterprises already granted it, mentioned in note 4, was justified on grounds hauntingly similar to those used in 1957: "Conditions are not ripe for a comprehensive reform of the whole economic structure . . . [and] as no all-round reforms are being undertaken, the enthusiasm of the experimenting units will inevitably be hampered by outside conditions. For instance, there can be no immediate correction of certain irrational regulations in the state policies of taxation and prices."

⁵⁰ Nationwide, something over 6,000 enterprises, or about 1.5% of China's 400,000 state-owned enterprises, had taken part in the experiment by the end of 1980.

⁵¹ See *CNA*, No. 1165, and *RMRB*, September 1, 1979. A more recent reference, on the by-then over 400 enterprises carrying out this experiment in Sichuan, is in *BR*, No. 14 (April 6, 1981), pp. 21ff.

⁵² "Bao-xiao gai wei xuan-gou" (Guaranteed sales changes into selective purchase), *Shichang* (Market), No. 5 (December 1, 1979).

⁵³ *Guangzhou ribao* (Canton Daily), November 9, 1979.

⁵⁴ *RMRB*, November 12, 1979.

⁵⁵ *RMRB*, December 5, 1979.

⁵⁶ *RMRB*, December 18, 1979.

seconded in June 1979). Nearly a year after the experiment had begun, a Canton radio report announced that both domestic commerce and foreign trade departments must make their procurements of industrial products in accord with the specifications of the plan, and that state commercial departments must monopolize the purchase and sales of products that are covered in the state plan. Selective purchase by these departments, as well as sales by the factories themselves, may only come into play for products not covered by the plan, or for products produced in excess of the planned quota. A Chengdu broadcast on the same theme in March 1979 added that even for commodities sold outside the plan state-regulated prices must be observed.⁵⁷

Thus, the reforms much heralded in the Western press of late are not only not new ones in China; neither are they an untrammelled flight into a total capitalistic departure from the plan; nor are they merely inspired and copied from the Yugoslav system or from the mid-to-late 1960s reforms most extensive in Hungary but also undertaken elsewhere in Eastern Europe.⁵⁸ Probably the death of Mao and the arrest of his leftist allies, along with China's concomitant expansion of its participation in the world market,⁵⁹ have made possible and perhaps necessary this dusting off and dressing up of measures devised long ago domestically that limit but do not replace the plan.

⁵⁷ Chengdu Radio, March 11, 1979 and Guangzhou Radio, October 26, 1979.

⁵⁸ This is not to say that Eastern Europe, and Yugoslavia in particular, have not served as models for China's economic thinkers. Articles describing the Yugoslav workers' council system and other aspects of its economy appeared in Chinese journals as early as 1957. See Schurmann, *Ideology and Organization*, p. 86, and for one specific example, Fang Shan, "The Economic Development in Yugoslavia" *Shi-jie zhi-shi* [World Culture], No. 4 (1957) translated in *ECMM* 84 (1957), pp. 13-17. Also, the discussion of market and profit strategies of the early 1960s was nearly coincident in time with (but actually began more than one year earlier than) the publication of the famous September 1962 Liberman proposals in the Soviet Union (first discussed in 1955 or perhaps even earlier) on using profit as the basic criterion of enterprise success and allowing management to devise its own plans based on orders negotiated with customers. See Alec Nove, "The Liberman Proposals," *Survey*, No. 47 (1963), pp. 112-118. The point here is that, while Chinese economists were undoubtedly aware of events in Yugoslavia in the 1950s, or proposals in the Soviet Union in 1962 and the 1965 reform there, and of the Hungarian overhaul of 1968, the Chinese have had their own history of reform and its defeat, and this history stretches back to late 1955.

⁵⁹ The economist Gregory Grossman has argued that, "to a significant extent, all of the recent economic reforms or proposed reforms in Eastern Europe—though not in the Soviet Union—have as a main purpose to render the given socialist economy more effective as an earner of foreign exchange and as a gainer from the international division of labor." See his "Foreign Trade of the USSR: A Summary Appraisal," in Alan A. Brown and Egon Neuberger, eds., *International Trade and Central Planning: An Analysis of Economic Interactions* (Berkeley: University of California Press, 1968).

INCENTIVE MECHANISMS AND REMUNERATION IN CHINA: POLICIES OF THE ELEVENTH CENTRAL COMMITTEE

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DURING THE COURSE of China's transition from private (capitalist) ownership to collective (socialist) ownership, there has been a dichotomy of emphasis between two forms of work incentives—material and moral. This dichotomy has been manifested in the form of a dialectic in policy orientation between political ideologues (the Maoist faction) supporting non-material incentives and more moderate bureaucrats (the Liuist/Dengist faction) supporting differentiated material incentives.

The Maoists emphasize the superiority of ideological incentives, and are more apt to concentrate on moral inducements in raising the general living standard of the Chinese people. The moderates, on the other hand, support a program of monetary rewards to workers tied directly to productivity.¹ Thus the moderate line is more directly tied to tangible improvements in the living standard of the worker or peasant.

This study will examine the remunerative system evolving under the 11th Central Committee. Much of the data provides a valuable update to works cited herein. The article attempts to address the current attitude in the PRC towards the social reward for work, and will dis-

* Observations and data from interviews in this study were obtained during a 30 day visit (July 14 to August 18, 1979) conducted by the Geography Department of the University of Hawaii, Manoa, to 13 cities in 10 provinces in the People's Republic of China. Included were facilities along the eastern seacoast, on the north China Plain, the loess plateau, the Sichuan basin, and in South China.

¹ An excellent survey of the breadth of discussion that took place in China over this issue appears in Chinese media sources during the periods preceding and after the Third Plenary Session, Eleventh Central Committee (late December 1978) and the 2nd Session, Fifth National People's Congress (late June 1979).

cuss changes in the wage and price structure during November 1979. For a framework for analysis the study draws on two major texts by Jan S. Prybyla, both of which are most helpful in understanding the Chinese economy: *The Political Economy of Communist China* (1970) and *The Chinese Economy: Problems and Policies* (1974). Prybyla has characterized the industrial material reward system in China as an equation that is the sum of Basic Wages, Social Wages, and Bonus Wages:²

$$\text{Basic Wages} + \text{Social Wages} + \text{Bonus Wages} = \text{Total Material Reward}$$

I believe that Prybyla's equation is applicable to all sectors of the economy, not simply industrial wages, and have structured this article accordingly.

Agricultural Basic Wages

Wage rates in agriculture are based upon work points (or work-day payments) that are analogous to labor quotas or elaborate piecework mechanisms.³ The computation of wages is based on the annual net income available for distribution in an accounting unit after the unit pays state taxes, delivers commodities to the state, and sets monies aside for public welfare and new construction. A major goal behind the basic wage system in agriculture, as in industry, is to attempt to equalize wage payments among the population, while still rewarding high productivity. An important factor in agricultural wage mechanisms is the use of a combination of cash and in-kind payments to equal the basic wage. Thus, a peasant earning 30 yuan per month may receive only a small portion of it (8–10 yuan) in cash, while the remainder is provided in grain, vegetables, meat, and charcoal.⁴

There are four basic ways of calculating work points in China: piece-work, equal shares, work grade (fixed and flexible), and time rate.⁵ The Chinese Communist Party and the government have advocated the adoption of different combinations of the four calculation methods as ideological orientation has shifted between moral and material incentives.⁶ Although the state now favors piece-work or work-grade evaluation, most collectives use a combination of systems. The mood and

² Jan S. Prybyla, *The Chinese Economy: Problems and Policies* (Columbia, South Carolina: University of South Carolina Press, 1978), p. 114.

³ Charles Hoffman, *Work Incentives: Practices and Policies in the People's Republic of China, 1953–1965* (Albany: Albany State University of New York Press, 1965), p. 43.

⁴ Interview with a Brigade Committee Chairman, Helei Commune, Wuxi, Jiangsu Province. Also, Keith Buchanan, *The Transformation of the Chinese Earth* (New York: Praeger Publishers, 1970), p. 140.

⁵ Prybyla, *The Chinese Economy*, pp. 60–65.

⁶ Agricultural management in Dazhai, now in disfavor, supposedly followed an evolution. For a complete discussion of the wage system at Dazhai, see Wen Yen and Liang Hui, *Dazhai, The Red Banner* (Beijing: Foreign Language Press, 1977), pp. 82–90.

desires of members of the basic accounting unit (usually the production team) are a major factor in determining which systems are applied.⁷

In piece-work computation, each task is given a fixed number of work points. These point values may differ between production teams and are decided in team meetings and periodically reevaluated. Quotas are generally normalized so that a given day's piece-work production will equal 10 work points. For example, fishermen in a fishing production brigade in Helei Commune (Wuxi, Jiangsu Province) were awarded 10 work points for each 150 Jin of grass cut as fish feed.⁸ Point values are also assigned for the delivery of specified quantities of night soil or manure.

In equal share computation systems the accounting unit's available income is simply distributed equally among workers. This is the most egalitarian system. While it may be ideologically acceptable to Maoists, it does not encourage individual effort and is presently in disfavor.

In the work-grade method, each worker is assigned a "labor-power" in a meeting of the entire production team. Healthier, more able workers get higher labor powers, while weaker and older members get lower labor powers. Then each task is assigned work points and the work points per task are combined with labor power to determine a day's work points earned. This system discriminates against older or weaker laborers, but in production teams using this system at Helei Commune, older workers were assigned easier jobs to enable them to earn at least a living wage.

The time-rate calculation system is used in such work as road-building, ditch-digging, or maintenance, particularly when the worker is performing these duties outside his accounting unit (e.g., for the brigade or commune). Usually 10 work points are awarded for a day's labor.

An average work day generally equals 10 work points on most communes. However, current practice does not guarantee 10 points for a day's work. A poor attitude, poor quality work, or a low quantity of work could result in the peasant earning less than the usual 10 points. On the other hand, in theory, a peasant who doubles the output of a given task should be able to receive double the number of work points.⁹

The average monthly wages for a peasant are difficult to derive. Using income data gathered during a 1974 trip to China, Jan Prybyla suggests that a working member's average monthly basic income (from

⁷ A discussion of the politics in production teams is found in John P. Burns, "The Election of Production Team Cadres in Rural China," *The China Quarterly*, Vol. 74, June 1978, pp. 273-296.

⁸ Trip notes. In *The Chinese Economy*, Prybyla cites a 1964 *Far Eastern Economic Review* article that says that on one commune three work points were awarded for producing 100 jin of cut grain stalks. A jin (or catty) equals half a kilogram (1.1 lbs.).

⁹ Some communes will not allow the doubling of earnings. The director of Helei commune states that on that collective only a maximum of about 40% over the basic can be earned.

work points) is about 42 yuan in the best communes.¹⁰ From an earlier study by Keith Buchanan, Prybyla extrapolates an average monthly income of 10.50 yuan per working member in the poorest communes.¹¹ I believe that in poorer areas, such as autonomous regions, the monthly basic wage could dip below 10.50 yuan.¹²

In the relatively well-to-do Double Peak Tea Production Brigade in Hangzhou's West Lake Commune, the Commune director quoted an average monthly wage of 85 yuan *per family* when I visited it in 1979. Prybyla visited the same commune in 1974 and states that the average monthly wage for a worker there was 86 yuan.¹³ However, the Chinese tend to express income in terms of the family unit instead of the individual—at least this was the practice at West Lake Commune. It seems likely that Prybyla received a family average wage, not the average wage per individual.

Even in the well-to-do West Lake Commune there is a range. I found the poorest family there earning 36 yuan per month. The highest monthly family wage reported in the same commune was 165 yuan. One explanation for the range in wages within a commune could be that individual family members from the tea production brigade work in industries either in the city or elsewhere on the commune so would earn more in industries than those who work in the fields. Also, the number of laborers per family has a direct effect on family wage.

In Shanxi Province, agricultural wages are lower. Members of the Hua Da (Flower Pagoda) Production Brigade, Jin Ce People's Commune, in suburban Taiyuan earned an average annual basic wage of only 15.58 yuan per month in 1979. In one production unit, the Gu Cheng Ying (Old City Camp) brigade, wages were about 20% higher because the principal crop there, vegetables, earns more than grain.¹⁴

A comprehensive overview of income and work points in one commune is helpful in understanding the system. The Helei Commune in suburban Wuxi on Lake Tai, Jiangsu Province, is a moderately well-to-do diversified agricultural collective. It is located in an area that has abundant water supplies, and a good road and water transportation system between the commune and the city of Wuxi. The commune's total population of 21,036 people is subdivided into 13 brigades and 95 production teams. There are also 35 brigade and commune level factories that do subcontract repairs and manufacturing for the city of Wuxi and

¹⁰ Prybyla, *The Chinese Economy*, p. 56.

¹¹ *Ibid.*; also see Buchanan, *The Transformation of the Chinese Earth*, pp. 137–138.

¹² According to a forum in January 1980, "the per capita income of peasants acquired from collectives has increased to about 80 Yuan from last year's 74 Yuan." This equates to a per capita monthly income of only 6.66 yuan per capita. *Foreign Broadcast Information Service, Daily Report, People's Republic of China* (hereafter *FBIS/DR/PRC*), January 4, 1980, p. 1A.

¹³ Prybyla, *The Chinese Economy*, p. 57.

¹⁴ Trip notes.

other communes.¹⁵ The commune factories manufacture aerators for fish ponds, snail crushers, and bicycle parts. The total area of the commune is 36 square kilometers.

The 1978 gross income for the commune was 7.6 million yuan. This income was distributed as follows:

1.35% to state agricultural tax¹⁶

32.95% to production costs: fertilizer, seed, insecticide, pumping equipment, maintenance by county shops, etc.

7.36% to public accommodation funds for farm capital construction (e.g., the purchase of new equipment, machinery, or the construction of new buildings)

3.74% to public welfare: medical expenses, education at commune run schools, books, sick pay, and retirement incomes¹⁷

1.30% to public reserve, in case of war or disaster

54.30% distributed as wages (either in cash or in-kind) calculated by work points

Once the commune determined the percentage distribution of total income for the year, this percentage breakdown was fixed and applied to the brigades. Each brigade at Helei provided that percentage of its total income to the commune. Thus, within the same commune, more productive brigades will have more funds to distribute as wages than others.

The production teams were divided into three work groups according to physical ability, with weaker and stronger persons grouped with their peers. The production team leader then assigned jobs to the work groups that corresponded in difficulty to their physical capabilities. The work groups met every three to five days to evaluate work done. Normally, 10 work points were awarded for a day's labor. By normalizing work points and grouping workers by physical ability, the members of this commune felt they were being fair to those older or weaker members who were working to capacity. Poor job attendance, poor quality work, or a poor work attitude resulted in the award of fewer points. Production over the norm resulted in the award of more than ten

¹⁵ These factories, besides supporting a small percentage of the commune's total population, provide 22% of their total income to the commune for capital construction and distribution to the commune welfare fund.

¹⁶ This tax is fixed according to mandatory inputs required of the commune by the state plan. If the quota is overfilled, taxes are not increased for that year. However, the quota may be raised in subsequent years. If production is unexpectedly poor, the commune is exempted from the tax.

¹⁷ The commune does not pay teachers. They are paid by the state. Also, only more well-to-do communes are able to provide retirement incomes. Poorer peasants depend on their offspring or families.

points. At the end of each month, the entire production team met and the team leader and team accountant made each team member's work records and job assignments public.

Throughout the year, peasants drew cash as needed against their accounts. Meanwhile, each family received a monthly allocation of subsistence grain, also credited against the account. Finally, at the end of each year, the net income to be distributed was divided by the total work points earned in the entire brigade. The dividend was the cash value of each work point. Each individual account was then balanced, and any grain or cash in an account at the end of the year was usually provided before the Spring Festival (Lunar New Year). Expressed in a formula, work point determination works like this:

$$\frac{\text{Annual Net Income}}{\text{Total Annual Team Work Points}} = \text{Work Point Value}$$

$$\text{Work Point Value} \times \text{Total Annual Individual Work Points} = \text{Annual Wage}$$

Industrial Basic Wages

Industrial wage scales and civil service pay scales have not been made readily available. Indeed, the Wei Jingshen trial illustrates that such simple facts may be treated as "state secrets" by the Chinese. Nevertheless, considerable data has been collected and more becomes available as visits to the PRC increase. Wage scales rise for levels of experience and skill, while technicians, managers, and intellectuals are paid from a separate scale. State functionaries have their own pay scales.¹⁸

Concerning wages for those employed by state or collectively owned enterprises, there has been little fluctuation in the industrial wage system since 1956.¹⁹ The basic wages for workers, both clerical and skilled or manual laborers, have been based on an eight-grade wage system that evolved from a Soviet model. These salaries vary little between regions. Table 1 shows the basic wages for industrial production workers at selected sites over the last 20 years.²⁰

Pay raises under the system have been few, the first two occurring in 1956 and during the recovery from the Great Leap (1961-1965). Since the arrest of the Gang of Four and the renewed emphasis on material incentives for production, there have been three wage increases, the latest announced in November 1979. These raises averaged only

¹⁸ See Eduard B. Vermeer, "Social Work Provisions and the Limits of Inequality in Contemporary China," *Asian Survey*, 19:9, September 1979, pp. 854-865.

¹⁹ See Prybyla, *The Chinese Economy*, p. 120, and Alexander Eckstein, *China's Economic Revolution* (New York: Cambridge University Press, 1977), p. 300.

²⁰ Source for 1959, 1972, and 1973 figures: Charles Riskin, "Workers Incentives in Chinese Industry," *China: A Reassessment of the Economy*, U.S. Congress, Joint Economic Committee, 1975 (Washington, D.C.: U.S. Government Printing Office [hereafter U.S. GPO]), pp. 99-224. Source for 1979 data: personal observations and trip notes.

TABLE 1: Basic Wages for Industrial Workers at Selected Sites, 1959-1979

Industry	Year	Grade							
		1	2	3	4	5	6	7	8
Anshan Iron & Steel Co.	1959	34.5	40.74	48.11	56.82	67.1	79.25	93.9	110.4
Anshan Rough Rolling Mill	1972	34.5	40.0	48.13	56.82	67.1	79.25	84.5	110.0
Shih Wan Pottery Factory Foshan, Guangdong	1973	35.0	41.0	47.0	56.0	63.0	n.a.	n.a.	108.0
Shih Wan Pottery Factory Foshan, Guangdong	1979	40.0	44.13	50.12	n.a.	70.0	n.a.	n.a.	110.0
Hangzhou Machine Tool Factory	1979	36.0	43.0	50.2	57.2	72.0	82.31	94.1	115.0

about 5% of income and were applied to about 40% of the employees in each instance.

The Chinese, particularly during periods when ideologues (Maoists) have been at the forefront in economic policy, have made strong claims to having a very egalitarian wage structure. However, the average ratio of maximum wages in Table 1 is about 3.2:1. Eckstein points out that this wage spread is basically the same as that in Europe and the U.S. in 1972, where workers experienced a 3.1:1 spread.²¹ It would seem, therefore, that the industrial wage spread is not more egalitarian than that of Western workers in the industrial sector.

A different wage scale is used to compute salaries for technical personnel in industry. It is applied to engineers and technicians, and at those facilities I visited, professionals such as doctors and pharmacists were paid from a similar scale. Eckstein identified the salary range for engineering and technical personnel as 50-200 yuan per month in 1972.²² Prybyla distinguishes six grades of technical personnel, grade six being the lowest.²³ Prybyla provides an average wage scale for the various technical grades. Richman mentions a grade 14 engineer (earning 138 yuan monthly), a grade 13 plant director (earning 150 yuan a month), and a grade 16 technician (earning 122 yuan a month).²⁴ Riskin, in his report to the 94th Congress, is unable to identify a six-grade technical wage scale and supports Richman's findings.²⁵ Taiwan sources report a 6-rank, 24-grade system for technicians.²⁶ However, the

²¹ Eckstein, *China's Economic Revolution*, p. 300.

²² *Ibid.*

²³ Prybyla, *The Chinese Economy*, p. 120.

²⁴ Barry M. Richman, *Industrial Society in Communist China* (New York: Random House, 1969), pp. 798-799.

²⁵ Riskin, *China: A Reassessment of the Economy*, p. 218.

²⁶ Chien Ting-chung, "The Pay Raise Program in Mainland China," *Issues and Studies*, XIV:2, February 1978, pp. 1-11.

wage system for technicians is still under review because a 1979 State Council decision apparently revised the grading system for technicians.²⁷ Technicians at the Hangzhou Machine Tool Factory, Zhejiang Province, were paid at the rates shown below when I visited:

Position	(grade)	Monthly Wage (in yuan)
Chief Engineer	(2)	180
Section Head	(9)	100
Deputy Section Head	(10)	83
Tech Worker	(12)	59
Tech Worker	(13)	53

Party cadre and state administrative employees are paid from a civil service scale that has been variously reported as a 25- or 30-grade wage system. Prybyla accepts the 30-grade wage system, which I also believe to be accurate since I met persons of grade 26 and 27. Prybyla suggests that at the high end of the scale the Chairman of the Chinese Communist Party earns 540 yuan a month. The lower range is the grade 30 employee, earning 22-36 yuan a month.²⁸

Simon Leys states that the grade one state employee (the party Chairman) earns 728 yuan monthly.²⁹ However, a 1978 Agence France Presse article stating that a salary of 550 yuan per month is greater than the wage of Senior Vice-Premier Deng Xiaoping provides a more accurate reflection of the top wage.³⁰

Teachers, medical personnel, and university instructors in communes as well as in municipal, provincial, or state run institutions are paid by the state according to another wage grade system. The wage table below provides an example of representative salaries gathered from the staffs of Chinese Academy of Sciences institutes at Shanghai, Beijing, and Chengdu, and the faculties of the University of Inner Mongolia and Hangzhou Normal University:

Position	Monthly Wage (in yuan)
Professor	250-380
Deputy Professor	130-180
Lecturer	70-100
Asst. Lecturer (with experience)	45-65
New Graduate	37-44

Salaries of primary school teachers, according to data collected in

²⁷ Article I of the Temporary Provisions On the Titles for Engineering and Technical Cadres issued by the State Council on December 10, 1979, lists five ranks: Chief Engineer, Senior Engineer, Assistant Engineer, Senior Technician, and Technician. Apprenticeship and grade structure within the ranks is not addressed.

²⁸ See *China News Analysis*, No. 966, July 12, 1974, pp. 4-5.

²⁹ Simon Leys, *Chinese Shadows* (New York: Penguin Books, 1978), p. 117. Leys presents an especially negative evaluation of China as an economic model. It is important to note here that the number of officials in the PRC drawing this top wage can probably be counted on one's fingers and toes.

³⁰ *FBIS/DR/PRC*, December 29, 1978, pp. E32-33.

Shanxi and Shaanxi provinces, average 50 yuan a month and range between 35 and 100 yuan a month. The average pay for trained physicians and medical technicians at industries and communes I visited was between 55 and 70 yuan monthly. Doctors at the Xian Number 4 Cotton Mill were earning only 59–65 yuan per month in 1979, while a wife and husband pair of pharmacists in Chengdu earned 70 and 80 yuan per month, respectively.

Enlisted personnel in the People's Liberation Army (ordinary soldiers, known as "fighters") receive low basic monthly wages. The majority of their remuneration comes in the form of social wages and moral incentives. Wages run between 6 and 10 yuan monthly for the first four years of service. After that, the salary is increased by 5 yuan annually for each year of service after four years.³¹ PLA wages may be low, but the army has been an influential political actor in the People's Republic and soldiers are likely to have greatly expanded career opportunities after they leave the army. Thus, the rewards for PLA service are less tangible than elsewhere.

Employees of smaller collective enterprises are also paid according to the eight grade wage scale. High level cadre of the same enterprises are paid as government employees—that is, according to the state scale (Table 2 represents a cross section of industrial salaries gathered in

TABLE 2: Industrial Salaries

Industry	Ownership	Workers	No. of Managers/ Clerical Personnel	Monthly Wages (yuan)		
				Average	High	Low
1. Shih Wan Ceramics Factory (Guangdong)	Urban Collective	580	30	65	110	40
2. Taiyuan Iron & Steel Co, Shanxi	State	50,000	5,000	70	120	36
3. Managerial Staff Taiyuan I & S Co	State	50,000	5,000	65	200	30
4. NW Cotton Textile Plant #4, Xian, Shaanxi	State	7,139	400	60	110	32
5. Suzhou Embroidery Institute, Zhejiang	Urban Collective	249	40	50	90	30
6. Suzhou Lacquer- Ware & Mahogany Factory, Zhejiang	Urban Collective	700	20–25	50	106	36
7. Hangzhou Machine Tool Factory Zhejiang	State	1,800	200	70	118	36

³¹ *Handbook on the Chinese Armed Forces* (Washington, D.C.: U.S. GPO, 1976), pp. 5–32.

1979). Among workers, those in state-owned industry are the best paid. The employee of the urban collective receives nearly as much money, and the laborer in commune-owned industry receives the lowest pay of all industrial workers. However, all of these people are paid far more than the peasant.

There are still substantial material rewards for educated persons compared to the peasant. Technicians and educators are very well paid, a holdover from old China. Mental workers live a much easier lifestyle than manual workers; therefore there are factors other than wages that could serve to encourage people to seek an education. Thus, if the goal is to equalize income further, wealth could still be more evenly distributed. Still, even if income is equalized, one must factor in the perquisites (e.g., free housing, cars) available to those who hold high cadre office when discussing equality or inequality. Income alone is not a sufficient criterion.

Social Wages

The value of "social wages" is not easily computed. It is a composite of the state welfare system, the commune welfare system, retirement benefits, medical care, and many of the perquisites of employment at different enterprises. These include housing, recreational facilities, child care, and sick benefits. State price controls, which increase the net worth of an individual's salary, also constitute part of the social wage. Finally, there are guarantees that all but certain "bad elements" and "extra children" will be allocated a minimum of grain.³²

The urban worker benefits the most from the social wage, particularly the worker in a state owned enterprise in the heavy industrial sector of the economy. The quality of the social wage is reduced as the level of ownership is lowered. The peasant receives the least guarantees and benefits from the social system.

In 1974, rent was generally 3% to 5% of a worker's monthly pay. The same percentage of pay was charged for rent in 1979.³³ The lack of inflation in the cost of shelter alone represents a significant advantage of the socialist system for the Chinese people and makes the urban wage in China stretch a little further.

In the countryside, peasants generally own their own homes, although in more advanced collectives the tendency is to build better, more modern housing owned by the collective. In some cases, the standard 3%-5% of income is charged. Urban residents pay between 1.50 and 3.50 yuan per month for electricity and between .50 and 2.00 yuan

³² Families of landlords, capitalists, and rich peasants still do not get these benefits (staple grain allocations for all workers). In the case of "extra children," the state will not award grain allocations for more than two children as a disincentive to overpopulation. (Trip notes.)

³³ *China Reconstructs* (hereafter *CR*), XXIII:4, April 1974 (Guoze Sherdran, Beijing), p. 40. Also, trip notes.

monthly for water. Some communes and factories pay the cost of utilities for residents, while others charge the same modest fees. In both urban and rural collectives, as well as in industries, a system of nurseries, kindergartens, and elementary and secondary schools provide daily, monthly, and weekly care, enabling women to enjoy full employment and career opportunities. In some cases retired persons or grandparents are organized to provide such services.

The availability of institutional care for the young at low or no cost does not indicate that education is free. The cost of books, school supplies, and paper averages five to eight yuan each semester for secondary schools and two and one half to five yuan each semester for primary schools.³⁴ This equates to about 1.4%–2.0% of annual income for the urban populace—not too great a burden. In the countryside, 10–16 yuan annually could represent as much as 4%–8% of the annual wage. However, there are provisions to lighten the burden for needy students since in some cases the state or commune reportedly will subsidize the cost of education for families who cannot afford it.

An ill or injured worker can receive between 40% and 100% of wages, and job-related injuries result in the award of a higher percentage.³⁵ On the commune, the brigade is responsible for allocating funds for injured members; the commune assists. In industry, funds are set aside by the enterprise. The state also pays all medical expenses for its employees and roughly half of the expenses for treatment of their lineal dependents.³⁶ Death benefits result in the payment of 25%–50% of the decedent's annual wage until the family is again self-supporting.

The best retirement "deal" is for workers in state industries. On a national level retirees receive between 50% and 85% of their annual wages after retirement. Women are allowed to retire at age 50–55, men at 55–60. However, the higher percentage levels are paid only in state enterprises. These higher rates are one of many reasons workers prefer employment in state enterprises over rural work. Retirement benefits in agricultural enterprises are paid by the brigade or commune. In many poorer units the collective is unable to give the peasant more than his grain allotment, so the retiree in the countryside often becomes dependent upon his children. In such cases, there is little change from the situation that existed in pre-1949 China.

An important aspect of the social wage is the relationship of wages to commodity prices. Generally, staple food prices remained stable until the major price hike in November 1979. However, even without serious inflation, the average Chinese lives a hand-to-mouth existence. He works very long hours to buy commodities that are comparatively

³⁴ CR, April 1976, p. 41 and trip notes; interview with primary and secondary school teachers, Shanghai and Hohhot, Inner Mongolia.

³⁵ See *Important Labor Laws and Regulations of the PRC* (Beijing: Foreign Language Press, 1961). Also, CR XXIII:5, May 1974, p. 35. These laws are still in effect.

³⁶ Vermeer, "Social Welfare Provisions," pp. 865–869.

less expensive and considered necessities for people in Western countries. Table 3 provides some data on 1974 prices, 1979 prices, and the amount of labor the average Chinese worker must put in to buy these commodities.³⁷

TABLE 3: Selected Commodity Prices in 1974 and 1979

Commodity	1974 price in yuan (official)	1979 price in yuan (observed)	Required work hours at 50 yuan per month avg. pay*
Husked rice (yuan/jin)	.14	.15	.58
Wheat flour (yuan/jin)	.18	.18	.69
Vegetables (yuan/jin)	.088	.12	.46
Pork (yuan/jin)	.90	1.40	5.30
Cotton cloth (yuan/meter)	Not avail.	13.00	50.00
Cotton work trousers	7-13	12-20	46-76
Bicycle	120-170	160	615
Cooking pot	1-5	4-10	15.38-19.23
Movies	.10-.25	.25-.35	.96-1.35
Canvas shoes	4-5.50	4-5	15.38-19.23
Thermos bottle (large)	7.00	6.93	26.65
Light bulb (25 watt)	.38	1.00	3.85
Wool cloth (yuan/meter)	Not avail.	15.50	59.62

SOURCES: 1974 prices, Jan S. Prybyla, *The Chinese Economy*. 1979 prices, trip notes.

* Computed at 24 work days per month (an hourly wage of .26 yuan/hour for an 8 hour day)

For the peasant, the high cost of non-food commodities must be staggering. A simple pair of trousers may represent more than an entire month's cash wage. The peasant, according to Mao the ideological base of the Chinese revolution, is not the beneficiary of the best China has to offer in its social welfare system. He earns considerably less than the urban worker, works harder, and has fewer non-food commodities available for purchase. There is still a great deal of room for improvement in the livelihood of the peasantry compared to that of the urban worker.

Bonus Systems

The downfall of the Gang of Four in October 1976 was immediately followed by a strong media campaign condemning their policies. One aspect of this campaign was the justification for changes in China's wage and bonus policy. There was a call to "establish and improve rational rules and regulations, do a better job in accounting, lower production costs, increase the accumulation of funds, carry out technical renovations and technical revolution, launch socialist emulations in

³⁷ Peasant wages are not considered in the table. Their income varies more radically than that of workers and much of it takes the form of in-kind payments.

work, and raise labor productivity."³⁸ This signified the initiation of policies that led to the restoration of pre-Cultural Revolution incentive systems and emphasized material reward once more.

Beijing's emphasis was placed on the principle of giving "more pay for more work." The government did not advocate the abolition of non-material incentives; rather, a combination was encouraged. Material incentives were to function in three ways: (1) to provide impetus for more work; (2) to provide material guarantees for those who work harder; and (3) to secure the level of production already achieved. To quote one *People's Daily* editorial, "spiritual enthusiasm plays a unique role in raising the laborer's enthusiasm. But due to the nature of socialist labor, it is also necessary to have material incentives in order to steadily and constantly keep up the socialist enthusiasm of the laborers."³⁹ Meanwhile, there also followed a series of attacks on absolute equalitarianism (the payment of equal wage shares and bonuses to all workers regardless of their productivity).⁴⁰

Bonuses at several state-owned enterprises were paid to auxiliary service workers and those on an hourly base wage according to a graded system. Employees were classified in group meetings of each work section into three grades based on mutual criticism, production records, and work attitude.⁴¹ Technicians and leading cadre were also classified into grades, but their payment schedule was lower than that for workers. Table 4 represents the bonus scheme at Xian's No. 4 cotton mill.

TABLE 4: Monthly Industrial Bonuses (Non-Piecework) in yuan

Grade	Worker	Administrator/Technician
1	9	6
2	8	5
3	7	4

Persons doing piece-work are paid differently. If their work quota is not fulfilled, wages are cut. If the quota is over-filled, a bonus is given. This policy reflects a conscious choice to tie a worker's material reward to the bonus system, not to basic pay, apparently in the belief that there should be a direct link between bonuses and extra work done.⁴²

For the peasant, other means have been implemented to supple-

³⁸ "The Gang of Four: A Scourge of the Nation," *Peking Review*, 19:48 (November 26, 1976), p. 12 and Parris H. Chang, "Constraints on China's 'New Economic Policy,'" *The World Today* (London), August 1977, p. 314.

³⁹ Wang Hai Po, "Persist in Combining Politics in Command With Material Incentives," *Ren Min Ribao*, February 22, 1978, p. 3.

⁴⁰ *FBIS/DR/PRC*, December 22, 1977, pp. E4-5; also, *FBIS/DR/PRC*, May 21, 1979, p. L7.

⁴¹ Interview with Director, No. 4 Cotton Mill, Xian, Shaanxi Province, August 8, 1979. Also, *FBIS/DR/PRC*, November 22, 1978, pp. E27-28.

⁴² *FBIS/DR/PRC*, May 21, 1979, pp. L7-9.

ment basic income. Peasants are guaranteed the right to private plots and the right to carry on domestic industry.⁴³ They may sell produce and any farm and farm by-products they produce from their private plots at peasant markets in towns. Prices are agreed upon after bargaining and are higher than prices in state stores.

The object of these moves in the countryside are threefold: first, to narrow the income gap between the city and the countryside; second, to eliminate the disparity in income between brigades on the same commune; finally, to give peasants the opportunity to purchase the commodities and clothing that are expected to become more available as production increases.⁴⁴

November 1979 Price Adjustments

On October 25, 1979, the Chinese announced that the prices paid to peasants for eighteen major farm products were to be raised between 20% and 50%.⁴⁵ Meanwhile, the market or retail sales prices of 16 other "non-staple" farm and farm sideline products to the urban resident were raised an average of 30%.⁴⁶ Product purchase price increases by the state that were designed to benefit the agricultural worker directly are:

Grain	20% increase; 50% premium for purchases above the state quota
Cotton	15% increase; 30% premium for above quota purchases
Oil bearing crops	25% increase; 50% premium for above quota purchases
Hogs	26% increase
Cattle, goats, eggs, sugar, hides, silk, and fish	20% increase; 50% premium for above quota purchases.

As a result of these increases, the annual income for China's peasants was expected to rise by 8 yuan per worker in 1979.⁴⁷ The effect on the state of increased purchase prices was to be partially offset by an increase in retail prices in urban areas. Thus, the costs of the state subsidy were partially passed along to urban residents. To offset the retail price rise, the state granted all workers on a monthly wage, in-

⁴³ Article 7, The Constitution of the People's Republic of China (adopted March 5, 1978, by the 5th National People's Congress at its First Plenary Session).

⁴⁴ Zhou Yueli, *Hong Qi*, No. 4 (Beijing), April 3, 1979, pp. 34-39 (U.S. Joint Publication Research Service translation).

⁴⁵ *FBIS/DR/PRC*, October 25, 1979, p. L12; and October 26, 1979, p. L2.

⁴⁶ *FBIS/DR/PRC*, November 1, 1979, pp. L18-20; November 5, 1979, p. L5.

⁴⁷ *FBIS/DR/PRC*, October 31, 1979, pp. L12-13.

cluding retired workers and apprentices (in all about 100 million people), a wage increase of 5 yuan a month.⁴⁸ In pastoral areas where meat is more expensive and (because market prices are set by the state to maximize state revenues) and meat consumption is higher, the wage increase was 8 yuan per month. However, the increase represents only about 10% of the average urban wage, which is hardly adequate to offset the 30% increase in sales price.

The emphasis on the industrial bonus system represents an attempt to help offset the retail price increases while encouraging higher productivity. The price rise is still greater than the pay increase for the consumer—the urban worker. The net result of this policy is likely to be a higher level of inflation and a reduction in the living standard (or quality of life) in the urban areas.

In a related move, the State Council announced that some market prices will no longer be fixed. Instead, the prices of over 10,000 farm, rural sideline, handicraft, and other miscellaneous products in China are adjusted to market supply and demand.⁴⁹ The state continues to fix the prices of staples such as cereals, cooking oils, meat, cotton, textiles, and coal, and, in keeping with the policies of the 3rd Plenary Session of the 11th Central Committee, to subsidize these "daily necessities."⁵⁰ Thus the market prices of these products remain the same.

It is likely that the living standard for urban workers will be adversely affected by these moves. Obviously, the peasantry will benefit because they produce their own "non-essentials" (i.e., some vegetables, milk, eggs, and fish, which are hardly "non-essential" to a balanced diet). As long as they raise more than their quota according to the state plan, they can keep the excess or sell it on the open market. One effect of these measures may be greater equalization of urban and rural incomes.

There is already some inflation and price fixing as a result of the peasant market practices. Both Guangdong and Fujian provinces in October 1979, announced investigations into reports of exorbitant price increases by certain rural agricultural units.⁵¹ Maoists probably view the trend toward "market socialism" as a return of the "evils of the old capitalist system."

The new policies are designed to increase productivity, increase income, and provide more commodities in the market place. Should they fail to stimulate greater production and significantly raise the "peoples' livelihood," there could be a groundswell of factional infighting. If the policies, which are risky, fail, so may the collective leadership established in the past months by Deng Xiaoping. It seems unlikely that

⁴⁸ *Ibid.*

⁴⁹ *FBIS/DR/PRC*, November 2, 1979, p. L1. *FBIS/DR/PRC*, October 25, 1979, Supplement 032. *FBIS/DR/PRC*, November 2, 1979, p. L4.

⁵⁰ *Peking Review*, No. 52, December 29, 1978, p. 13.

⁵¹ *FBIS/DR/PRC*, October 21, 1979, p. 6; *FBIS/DR/PRC*, October 26, 1979, pp. 0-1.

such an eventuality would result in a threat to the Chinese Communist Party or to the socialist system in China. However, the party's return to a stance along traditional Maoist lines and a strengthening of Hua Guofeng's position would not be surprising.

CHINA'S TECHNOLOGICAL ECONOMICS

Erik Baark*

ONE OF THE MOST significant developments in China during the last couple of years has been the immense growth of interest in science and technology policy studies. Much of this interest stems from the concept of science and technology as an essential element in the modernization program. The present leadership headed by Vice Premier Deng Xiaoping has made no secret of the importance it attaches to scientific and technological progress as a productive force, and a recurring theme in the press today is a call for a greater contribution of Chinese scientific and technological workers to the development of the economy. But the interest in policy studies as such has also been growing rapidly in China. We have seen how economists as a group have had considerable influence on the experimental policies of greater autonomy for enterprise management, just to take one example. The social science renaissance has been one of the most spectacular events in intellectual circles since the death of Mao Zedong in 1976 and the end of the debasement of traditional academic work that followed in the wake of the Cultural Revolution. Now that the leadership emphatically supports intellectuals and has made a point of letting the scientists have a say in policy making—for instance, through the series of lectures on the history of science and on subjects such as energy given by eminent scientists in front of the Central Committee—social science and policy analysis activities have grown by leaps and bounds. The Chinese Academy of Social Sciences, local activities in provincial academies and in universities, the multitude of research units created under the commissions and the State Council, and particularly the reestablishment of the Chinese Association for Science and Technology are all evidence of the efforts being made to organize a new capability for pol-

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icy analysis to aid the government and the Party in formulating long-term policies on economic and technological development.

It is not unfair to say that such long-term policies, or rather the conscientious and continuous implementation of policies by the leadership and officials throughout China, have been lacking for a considerable time. Even more fatal has been the lack of realism in the policies formulated. For example, the official Chinese attitude towards scientific and technological issues has moved from a highly politicized and—to say the least—skeptical stance during the Cultural Revolution to what can only be designated naive optimism during the period following the arrest of the Gang of Four in 1976. Official statements from the time of the formulation of the Ten-year Plan and the National Science Conference in March 1978, including speeches by Chairman Hua Guofeng and Vice Premier Deng Xiaoping, showed some very simple concepts of what modernization means and how quickly a country like China could achieve the scientific and technological levels of advanced capitalist countries today. The total neglect of social and economic conditions in China and in the international community characterized both the radicals' attack on science and technology as the instrument that would be used by a new class of bourgeois intellectuals to gain political power and the present leadership's optimistic idea that China could catch up with the West through wholesale imports of modern science and technology.

The naive concepts of modernization and technology transfer that had permeated the Ten-year Plan from 1978 have now given way to more moderate views because the projects initiated under this plan have proven well-nigh disastrous for the Chinese economy. Consequently the plan has been scrapped, together with its leading proponent, Hua Guofeng. The plan itself was dismantled in a slow process beginning early in 1979, culminating in heavy criticism at the National People's Congress in September 1980 against the major projects initiated as part of the plan. In fairly typical Chinese fashion Hua Guofeng has become the scapegoat of the failures of these projects and was de facto dismissed from all important posts at the end of 1980. The new catchword is readjustment, a term that briefly summarizes the fact that the Chinese economy has run into some deep structural difficulties after two decades of frequent policy shifts and excessive demands on performance—aggravated rather than solved by the policies of the post-Mao period.

Despite the appearance of frequent policy changes in the five years since Mao's death, we can see a definite trend towards more realistic policy approaches to science and technology issues in China. The role of professionalized policy analysis involving scientists, economists, and administrative personnel for this development must be emphasized, and there are good reasons to study the concepts, methodologies, and political position of the researchers conducting policy analysis in China in more detail. The present article will thus be devoted to an outline

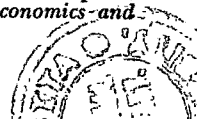
examination of some key problems in China's technological economics, and how researchers and policy makers in China have tried to solve these problems.

The Investment Problem

Many of the difficulties created by the ill-fated Ten-year Plan originate in the disregard for economic efficiency that has plagued Chinese investment projects since the 1950s. The problem of investment efficiency and meagre economic returns is by no means unique to China as a socialist or developing country, but in China this is a key problem because both central and local authorities have for a long time showed an amazing inability to establish rational investment procedures. But a research discipline called technological economics, which emerged from the work of the Chinese Association for Science and Technology during 1979, has become a major proponent of rationalization of investment choice, and it is intriguing to take a closer look at the concepts of this discipline.¹ The term technological economics is derived from the focus on evaluating technological solutions for various investment alternatives—where the concept of technology is rather broadly defined as more or less equivalent to productive forces—and it therefore bears some resemblance to Western concepts of cost-benefit analysis. The main effort of technological economists during the last two to three years has been to support the criticism of excessive and irrational investments initiated before and during the Ten-year Plan with some meticulous calculations.

The studies of the very expensive Wuhan and Baoshan iron and steel production projects, both of which involved imports of modern technology from abroad, are revealing. When the technological economists examined the prestigious Baoshan project at Shanghai in the spring of 1980, they found that construction costs for the new plant were much greater than expected, and that steel production costs exceeded those at the Anshan Iron and Steel works by more than a third. There appear to be several reasons for this unexpected increase in costs: the necessity of importing the raw materials to be used in the plant because of the technological level of the equipment, the resulting loss of the benefit of using inexpensive domestic resources, and the massive additional investments required in order to provide the necessary foundation for the plant and the transportation infrastructure. The details of this examination of the Baoshan project are unfortunately not yet available. But some figures on the project are available, and these are revealing. A 1.7 m rolling mill was constructed during the mid-1970s

¹ For a more detailed description of organization and activities of this discipline, see the earlier version of the present paper: Erik Baark, *Techno-Economics and Politics of Modernization in China*, Lund, November 1980.



with all the most advanced technologies. After an investment of 4 billion yuan and a basic completion of the project in 1978, it was found that there was no chance of reaching the optimal production capacity because electricity supplies were inadequate. When the provincial electricity networks of Hubei and Hunan were combined some six months later in order to supply the necessary energy, other serious deficiencies appeared; for example, the amount of steel produced at the plant was insufficient and the equipment for processing silicon steel was still under construction.² Therefore only 20–30% of the capacity has been utilized until recently, which evidently means a loss of any economies of scale in production and very expensive products by both Chinese and international standards.

The root cause of this state of affairs regarding Chinese investment projects is all too often the failure to examine the feasibility of projects in advance. Since feasibility studies are a cornerstone concept of technological economics, researchers from this discipline have been some of the most active in introducing pre-investment feasibility appraisals into decision making at all levels of China's administration. Wang Enkui has described the process in the following terms:

When we want to establish a factory, we should first examine the needs of society (i.e. the market), study the scale and the possible speed of construction of the factory and calculate the necessary amount of investment and the possible sources of capital, and finally determine the product range as well as the technological level in the production. Subsequently a feasibility study is made to provide forecasts analyzing the costs of production, the market price, and the profits to be gained.

After such an analysis concerning the need for the project and its feasibility has been completed, a series of other investigations should be made. For example, what are the conditions with regard to temperature, how much rainfall is there, and do the hydrography and the quality of the soil satisfy demands? Where is the source of raw materials and fuels and how are they to be transported? How can the transportation distance be shortened and the costs minimized? How can we solve the questions of power and water supply and can these inputs be guaranteed? Where will we obtain parts and accessories for final assembly? What are their costs? How are the products to be distributed on the market? And so on. . . .³

Examples like the Wuhan and Baoshan projects show that feasibility studies and the examination of possible sources of raw materials, energy, and other factors as described above have not been conducted

² For criticism of the Wuhan project, see Meng Xiancheng, "Some Questions on the Building of the 1.7 Metre Rolling Mill," *Beijing Review*, No. 34, August 25, 1980, pp. 26–34. Details are also given in Chen Huiqin, "The orientation of Technology Imports Must be Changed," *Jingji Guanli*, No. 4 (April 1981), pp. IV–23.

³ Wang Enkui, "A Talk on Technological Economics," *Hongqi*, No. 7 (April 1980), pp. 11–13.

before the work was pushed ahead. It is surprising to learn that projects undertaken on a national scale lack proper planning. One is left with the impression that the same thing occurs with projects initiated by provincial or lower level authorities, and in fact there is a multitude of examples of projects that turn out to be a drain rather than a gain for the economy.

But before we turn to the question of how much waste has been incurred through the absence of feasibility studies, a brief account of the methodology utilized by the Chinese technological economists must be given. Similar to the concepts of Western economics, the Chinese feasibility appraisal is basically an assessment of the financial viability of a project—i.e., whether the total income of a particular production process exceeds the total expenditure. The result is a surplus that may be called net profit, surplus value, or some other term, and can be used for new investments, consumption, etc. The feasibility of a project may be calculated in several ways, but here we shall focus on the methodology that at present seems to be applied frequently—the “period of recoupment” criterion.⁴ In this methodology, the analyst calculates the time needed to recover the initial investment. When only one solution is considered, the basic formula is:

$$T = \frac{K}{I}$$

where T is the period of recoupment (years), K is the total investment, and I is the annual profit.⁵ If, as is often the case, the choice is between investing in new technology or renovating existing equipment, what may be translated as the “marginal period of recoupment” is calculated according to the following formula:

$$T = \frac{K}{\left(\frac{C_1}{Q_1} - \frac{C_2}{Q_2} \right) \cdot Q_2}$$

where K is the investment needed for the renovation, C_1 and Q_1 are the annual costs and size of production before the renovation, respectively, and C_2 and Q_2 are annual costs and size of production after the renovation, respectively. These calculations make it possible to determine the economic rationality of the new investments, at least in terms of evaluating whether they will contribute to economic growth or not.

⁴ Usually called the payback period in Western literature.

⁵ Pu Jianying, “Introduction to Feasibility Analysis,” *Jishu Jingji yu Guanli Yanjiu*, No. 1 (1981), p. 45. This article also reviews a number of other investment criteria; unfortunately space does not allow for a detailed presentation of these here.

The most rational investment choice will be the alternative with the shortest period of recoupment, i.e.,

$$T = \min., \text{ or } T \leq T_H$$

where T_H is a standard period of recoupment. The Chinese planners have operated with a number of standard recoupment periods for different sectors in order to account for natural conditions pertaining to construction within these sectors. For example, the standard period of recoupment for the metallurgical industry used to be 5–6 years, that of the mining industry 10 years, while the period for hydroelectric projects has been 10–15 years.⁶

The theory of feasibility appraisal outlined above resembles the one the Soviet Union has adopted for investment appraisal by ministerial and local authorities. Incidentally, Chinese technological economics was originally introduced together with Soviet assistance to China in the 1950s, when many of the current leading economists were trained. However, neither the name nor the comprehensive disciplinary approach of technological economics has been retained in Soviet economics today, where the field that comes closest to technological economics in practice appears to be "branch economics," which specializes in calculations of investment efficiency in different economic sectors.⁷

Even if the "period of recoupment" criterion must be considered a rather simple methodology for the assessment of economic efficiency,⁸ it has been widely used in recent debates in the Chinese press on the problem of investment and economic results. One example is the investigation conducted by the First Ministry of Machine Building, which is responsible for the production of a large part of the machinery and instruments supplied to China's enterprises. This investigation showed that the period of recoupment for large projects undertaken by the ministry since 1950 had been continuously extended. During the First Five-year Plan (1953–1957), investments were recovered after a period of three and a half years on average. During the late 1960s the period of recoupment had been extended to seven and a half years for two-thirds of the projects examined, while the rest had not been able to recover their initial investments. Finally, the investigation showed that none of the projects undertaken since 1970 had yet been able to cover their initial investments.⁹ In terms of overall performance of Chinese industry, it has been argued that the average period of recoupment for

⁶ *Ibid.*, p. 46.

⁷ I am grateful to Julian Cooper for drawing my attention to this similarity.
⁸ Pu Jianying ("Introduction to Feasibility Analysis") recognizes these weaknesses. A Western economist has described the payback period criterion (i.e., period of recoupment) as a "back of the envelope" assessment. See George Irvin, *Modern Cost-Benefit Methods* (London, 1978), p. 21.

⁹ Lin Senmu, "Increasing Returns on Investment in Capital Construction is a Task of Top Priority," *Guangming Ribao*, May 15, 1980.

investments undertaken during the last three decades has been 10 years; when compared with average figures like three years in Japan, four years in the U.S., and five years in the USSR, the Chinese performance stands out as exceptionally bad.¹⁰

Another fascinating study of the economic results of large-scale technology imports has recently been presented by Chen Huiqin.¹¹ Chen argues that the technology import waves of the 1970s, which in terms of foreign exchange expenditure amount to almost 80% of the U.S. dollars spent on purchases of technology since 1950, have produced very poor results. The import wave initiated in 1973, which has become known as the "forty-three" scheme because it envisaged spending 4.3 billion U.S. dollars,¹² and which incidentally was supported by Zhou Enlai and Deng Xiaoping, has yielded far from satisfactory results. Thus, among the 24 projects that should have been completed before 1979, 11 exceeded planned completion times by more than one year, one case being as late as three years behind schedule. Equally serious is the fact that only nine of the 17 projects that were actually completed before 1978 reached 90% of their planned production capacities by 1979. Other projects have only reached some 50% of their capacity—for instance, the steel mill at Wuhan described above. Evidently these problems reduce the ability of the plants to repay the costs of construction and purchase of equipment from abroad. And the projects involving more than 75% of the money invested under the "forty-three" scheme have been unable to pay back investments within the three to four years that the author considers a reasonable recoupment period for such modern production plants.

These results are mediocre by Chinese standards, but are even worse if evaluated according to more sophisticated methodologies than the "period of recoupment" criterion. Thus, in most of the examples of projects evaluated according to this methodology, there is no evidence that the opportunity cost associated with the use of the initial investment was considered—i.e., the rate of discount for the capital utilized was disregarded. Western economists generally use the concept of "net present value," which shows the sum of a discounted cash flow and thus more accurately reflects the effective cost of capital, whether it is the result of direct loan-taking or just the fact that other investment opportunities are foregone when the capital is "frozen" in one particular project.¹³ In China, the system in which most large investments are

¹⁰ *Ibid.* In fact, the author exaggerates the Soviet performance. The planned period is approximately five years on average, but the actual investment process often drags on to 8–12 years. See Alec Nove, *The Soviet Economic System* (London, 1977), p. 157.

¹¹ Chen Huiqin, "The Orientation of Technology Imports Must be Changed," *Jingji Guanli*, No.4 (April 1981), pp. IV–23.

¹² That is, forty-three *yi* (unit of one hundred million) U.S. dollars.

¹³ The discounted cash flow is the total stream of payments (revenues and costs) discounted by the rate of interest that must be paid on the capital utilized.

made through allocation of central funds implies that in effect investment funds are provided free of interest, and the period of recoupment for projects in the state-owned sector should therefore in principle be much shorter than for equivalent investments in Western economies. During the experimental reforms of the economic system in the last two years it has therefore been emphasized that bank loans should gradually replace the central allocation of funds.¹⁴ It is obvious, however, that this reform must proceed simultaneously with expanding the rights of enterprises to retain profits so that they can fund new investments and repay the necessary loans plus interest. Such reforms, the experimental cases of which are currently under evaluation by the Chinese leadership, would ideally promote much greater efficiency in investment decisions at the enterprise level. But the practical results remain to be seen.

Most of the above-mentioned problems deal with micro-level decision making regarding investment choice. The pursuit of economic efficiency in every case in which investments in new production are made naturally forms a vital prerequisite for economic growth from a macro-level perspective. The vigorous promotion of feasibility appraisals, however simple in methodology, must therefore be seen in the light of the current campaign of "paying attention to economic results." Under present circumstances, a few fundamental, interrelated objectives underlie most of the policies formulated in China. One objective is to cut back public expenditures that shot up during 1979-1980, partly as a consequence of excessive investments, and which have been responsible for budget deficits and a high inflation rate. Another objective is to reduce the rate of accumulation in the economy; again the best way of achieving this is to cut down on the scale of investments and raise the level of consumption instead. Finally, it has been regarded as a major goal to correct the sectorial imbalances created by a long-standing policy that favored heavy industrial expansion at the expense of light industry and agriculture. The present readjustment of the economy is explicitly attempting to achieve these objectives through a more restrictive policy on investment.

Although the actions of the Chinese leadership with reference to large projects involving substantial imports of foreign technology (e.g., the Baoshan plant) have the appearance of selective attacks on poorly planned projects, they are more likely to be part of a fundamental change in economic policy. There is a definite relationship between the micro-economic concepts and methodologies of technological economics presented above and the macro-economic changes. For instance, the use of the "period of recoupment" criterion for evaluation of the economic rationality of investments will tend to favor light industrial, less capital-intensive projects since they have a natural tendency to yield quick re-

¹⁴ An early policy statement was made by Li Baohua in "Bringing the Role of the Bank as Economic Lever into Full Play," *Hongqi*, No. 2 (1979).

sults—i.e., they have shorter periods of recoupment. It is thus typical that most of the projects that have been criticized belong to the heavy industrial class. A certain similarity exists between this situation and the changes in economic policy that took place in the Soviet Union in the 1950s. Under Stalinist strategies for economic development, there was little dispute over the rationality of large investments in heavy industry and the producers' goods sector. But the Soviet economists' debate over investment appraisal methodologies, which ran from the end of the 1940s well into the 1960s, signalled the advent of policies stressing the development of consumers' goods industries, less capital-intensive projects, and a whole series of reforms of the economic system.¹⁵ This process of change has been fairly slow in gaining a foothold because the Soviet planned economic system suffers from an overwhelming inertia, and we may expect that the theorists and political forces at work in China today will have to face similar resistance from a systemic inertia in the Chinese economy.

No doubt the systemic inertia in China is partly a result of resistance from people whose positions are challenged by policies that stress economic rationality. It is no secret that the Chinese government at almost all levels is infested with bureaucratic habits. Furthermore, many of the cadres that make up the backbone of the Chinese administration have had neither the opportunity nor the motivation during prolonged periods of political struggle to acquire the theoretical knowledge needed in order to make qualified judgments about economic or technical matters. It is likely that this group of administrators with little professional training will perceive the technocratic approaches as a threat to their vested interests. From an ideological point of view, a large part of this group is also likely to be alienated by the present emphasis on economic efficiency. But it is tempting to put all the blame on bureaucratic practices and disregard the fact that all planned economies have experienced problems arising from irrational features in the economic system itself. The Chinese leadership has not been able to resist this temptation. Almost all the mistakes in the investment policy of the 1970s have been explained as the work of "leftist deviation" (i.e., Hua Guofeng and his supporters) and bureaucratic practices (i.e., the inefficient administration).

The experiences of the Soviet Union and other socialist countries show, however, how much investment problems are related to the economic system. Two examples will indicate crucial drawbacks that cannot be significantly alleviated by, for instance, more extensive application of feasibility studies. For one thing, the provision of essential inputs such as raw materials and fuel is still dependent on centralized allocation and the state of infrastructural facilities like transportation. No matter how good a feasibility study looks on paper, there is actually

¹⁵ See Norman Kaplan, "Investment Alternatives in Soviet Economic Theory," *Journal of Political Economy*, April 1952, pp. 141-142.

little an enterprise can do if these conditions fail to materialize because of deficient planning. Mistakes in planning often originate in lack of adequate information on the macro-level of what actually goes on at the micro-level, and the resultant tendency to over-investment with its notorious shortages seems to be unavoidable in centrally planned economies.¹⁶ The Chinese reforms aimed at reducing the dependency on plans were brought to a standstill in December 1980 because of their negative effects on the overall economy—e.g., in the tobacco industry where the reforms encouraged cigarette production in small, inefficient units with low-quality output. The vision of a market economy in China has therefore been postponed to an uncertain future, and the present readjustment policy emphasizes planning. So the problems inherent in the planning systems remain.

The other example is the difficulties presented by the price structure. Similar to Soviet practice, most prices in China have been centrally fixed or controlled, and the present prices of a majority of essential raw materials and producers' goods date back to the beginning of the 1950s and sometimes even earlier. Naturally many of these prices have now become totally out of step with real values, and since they form the background for accounting of costs and profits, the rationality of investment decisions based on calculations using these prices are doubtful. However, changing an antiquated price structure is very difficult in practice as the experience of the Soviet price reform of 1967 and the Hungarian experiment with market regulation of prices after 1968 shows.¹⁷ Reforms introducing prices determined by market demand have also been high on the list of priorities in China, but again they have been found difficult to implement in an economy as weak as the Chinese.

Technology Policy and the Modernization Dilemma

A major concern that the technological economists share with a number of other research groups, such as science researchers, is the formulation of technology policies. Here the concept of economic efficiency as a criterion for rational investment choice has also been applied, but since determining the influence of scientific and technological change on economic progress is more complex than simple calculation of investment and return, there is a need for more sophisticated concepts. The technological economists have therefore run into some problems in defining exactly what an economically rational choice of technology is under the specific conditions of China's present economic and social structure. They will also have to consider the fundamental question of what modernization of China means in practice and, as we shall

¹⁶ For a discussion of similar problems of reaching optimum investment allocation in the Soviet economic system, see Alec Nove, *Soviet Economic System*, pp. 149–161.

¹⁷ *Ibid.*, pp. 178–184 and p. 292.

see below, there seems to be less agreement on this issue than on investment policy.

The concept "technology policy" has recently become very popular in the West, in many cases replacing the traditional emphasis on "science and technology policy." Apart from the vogue surrounding such concepts in academic debate, this shift in emphasis reflects the fact that developments in the advanced capitalist economies have increasingly underscored the importance of technological change as a prime factor in economic development. Simultaneously it has become evident to policy makers that technological development should not rely on ad hoc support from the government, but that it benefits from long-range planning and continuous support from government and private sources. On the other hand, technological change has such far-reaching effects in modern societies that political priorities—e.g., employment policy—may be seriously affected by rapid technological change, and governments must therefore control or influence such changes where possible.

In China there has seldom been much doubt about the involvement of government in setting the priorities of science and technology. But two aspects of the concept of technology policy have become prominent in recent debates over choice of technology in China. One aspect is the tendency to rely more frequently on relevant research on social and economic aspects of technological change when devising new policies. This has had the effect of conceptually elaborating technological economics into a sort of cost-benefit analysis. Another aspect has been a wider recognition of the fact that modern technological change depends heavily on the creation of better conditions for technological innovation and the integration of research with production, rather than just setting the priorities for scientific and technological development. We shall first concentrate on the question of how the Chinese can decide on rational technology policies and then return to the latter aspect in the next section.

An example frequently cited by the Chinese technological economists, and which seems to have earned them their first goodwill and recognition by the leadership in 1978, is the examination of railway traction technology. When the Chinese Ministry of Railways outlined the plans for modernization of the railways under the Ten-year Plan at the National Conference on Railways in April 1978, it envisaged a large-scale replacement of the present inventory of steam locomotives with diesel and electric locomotives.¹⁸ Thus the minister of railways, Duan Junyi, declared that by 1985 diesel and electric locomotives should pull 60% of the loads on China's railways, in contrast to the present rate of some 13%. This decision was made on the grounds that diesel and electric locomotives are superior to steam locomotives with regard to technical features such as motive power, energy consumption, pollution, etc. But it would also have meant an annual growth rate of some-

¹⁸ BBC: *Summary of World Broadcasts: The Far East*, FE/W9781/A/25.

thing like 25–30% in production of diesel and electric locomotives during the eight years left of the plan period. Naturally this would have been impossible to achieve within such a short time, and the Ministry of Railways was therefore about to negotiate contracts for large imports of modern locomotives. This technology policy thus typically represented an uncritical acceptance of the models existing in the industrialized countries where steam locomotives are almost nonexistent, and completely ignored conditions specific to China. It appears that these plans also disregarded the results of other investigations of the comparative advantage of different traction modes, since the examination of late 1978 was an extension of a basic analysis that had been made by the Comprehensive Transportation Research Institute of the Chinese Academy of Sciences and the Transportation Research Institute of the Academy of Railway Science in 1964.¹⁹

In contrast to the ministry officials who had decided on a strategy of "replacement of steam locomotives with diesel and electric locomotives, with an emphasis on diesel locomotives," the technological economists concluded that steam locomotives were economically the most suitable traction technology at present in China, while diesel locomotives appeared to be the most inefficient economically. Their proposal for a new technology policy thus became "promotion of gradual replacement of steam locomotives with diesel and electric locomotives, with an emphasis on electric locomotives, but making full use of the present stock of steam locomotives through an increase of their efficiency." The evaluation of the three modes of traction basically consisted of a calculation of the total expenditures associated with each technology. These elaborate calculations included cost estimates for a series of alternatives including whether traffic should be single or double track, relative gradients of the track, etc. There is no need to go into the details of these estimates, but it should be noted that the total expenditures were calculated as the sum of operating costs (of which fuel and maintenance costs were the most significant), labor costs, and the investment depreciated over a 15-year period.²⁰ In terms of the investment needed, electric traction was the most expensive form, almost twice as expensive as steam traction, while diesel was somewhere in between these two.

With regard to the consumption of labor, the situation was practically the opposite, steam locomotives requiring more than twice as many laborers as diesel, and electric traction even less labor intensive. Finally, operating costs of electric railway lines were the lowest, while steam and diesel traction turned out to be significantly more expensive

¹⁹ See Xu Shoupo, *Jishu Jingji Xue Gailun* (Outline of Technological Economics) (Shanghai, 1980), pp. 211–222. The information presented here on the railway traction technology investigation has been drawn from this excellent book and interviews with technological economists in Beijing in 1980.

²⁰ The formula for calculation of total expenditures being

$$Z = C_t + x_t R_t + x_i T_{z1}$$

where C_t are the operating costs, R_t the labor force, T_{z1} the investment. x_t and x_i are labor efficiency coefficient and capital efficiency coefficient, respectively.

—particularly diesel, which involves very high fuel costs. The results show that under conditions of single-track traffic and a low gradient (6%), electric traction becomes more economical than steam locomotives only at comparatively high traffic density (not uncommon in China), while diesel traction apparently always involves higher expenditures than steam traction. Diesel locomotives, however, have certain advantages over electric locomotives at low traffic densities. Somewhat the same picture emerges when double-track traffic is examined, except for more pronounced disadvantages of diesel traction under these conditions. Current fuel prices of 0.03 yuan/kwh for electricity, 25 yuan/ton for coal, and 220 yuan/ton for diesel oil were used in these calculations. A change in prices would mean a change in the comparative advantage of each technology; for example, higher coal prices may make diesel traction an economically viable technology at low transport densities.

This investigation reveals several features of the process of finding an optimum technology policy that require attention, since they indicate that new approaches may lead to more sensible technology policies in the future but also show how weak the foundation for technology policy analysis still is in China. We can see that the kind of cost-benefit analysis that is carried out in relation to choice of technology produces a much better basis for deciding what may be appropriate—particularly in economic terms—in the Chinese context than simply copying from other countries' experience. The railway investigation showed a preference for the labor-intensive technology of steam locomotive traction inasmuch as the marginal labor costs had comparatively little influence on the total costs calculated by the technological economists. No doubt this is a rational bias in a country where labor is abundantly available. The same bias of course led to a partial rejection of the electric traction technology with its heavy initial investments. In the short term, these technology policy choices are perfectly sensible for a developing country with a large population and a restricted availability of capital, and the concept of labor-intensive technologies has received much attention in China lately.

But the technological economic methodology is not devoid of drawbacks when it comes to technology policy analysis. There is the problem of cost accounting in a planned economy that was briefly touched upon in the preceeding section. The cost of fuel, which is by far the most significant factor in determining economic advantages of each railway traction technology, is calculated on the basis of current prices that were fixed at the present level in the early 1950s, long before China became a petroleum-producing country. For these historical reasons the price of coal is therefore much lower than current oil prices relative to value and actual production costs. It may be argued that under present circumstances, in which there is a serious shortage of petroleum in China and the country at the same time attempts to earn foreign exchange as an oil-exporter, it is rational to maintain such a discrepancy

between the prices of coal and oil. But this does not invalidate the theoretical objection to using arbitrarily fixed prices for a calculation of real costs. In Western economies a similar problem of inconsistency in pricing is of course present, but here a number of methodologies such as shadow-pricing or the application of world-market prices have been developed to deal with the question of assessing real costs. There is, as we have noted before, very little evidence of similar concepts in China, although some Chinese economists seem to be well aware of the problem.

One can legitimately ask what would happen to technological development of the Chinese railways if the conclusions based on economic rationality of each technology were rigorously followed. If costs continue to be calculated on the basis of current fixed prices, a somewhat polemical answer is that technological development will be seriously inhibited and that a majority of China's railways will still use steam locomotives in the year 2000! Obviously this would be an extremely unsatisfactory solution and a very unlikely outcome, but the proposition highlights the fact that more sophisticated research is required for modern technology policy analysis.

The crux of the matter is that there are more difficult decisions involved than the short-term, tactical problem of minimizing costs. In real life most technology policy decisions have wide repercussions for social and economic development, and the most successful technology policies tend to be strategic rather than tactical. Using the example of locomotives, we may say that a policy concentrating on the use of steam locomotives is rational from a tactical viewpoint since it makes full use of the resources already available in China while minimizing the burden on an overstrained budget. From a strategic viewpoint, however, the policy may be less rational since the continued reliance on the technically less efficient steam locomotives will progressively weaken the transportation sector vis-à-vis other sectors of the economy; the large consumption of coal will also have detrimental effects on overall fuel economy, a serious problem in a country already suffering from widespread shortages of energy. Looking at technology policies in more strategic terms raises the whole complicated question of modernization in which issues such as the pace of development and its distribution are at stake. Such issues impose a range of choices that neither China nor any other country can avoid in the long run.

The concept of modernization remaining from the Four Modernizations program envisages rapid technological development—a process of “catching up” with the advanced industrialized countries. This has left the Chinese with the largely unresolved dilemma of finding a suitable pace of technological progress. Put in very crude terms, the question is whether to aim at “leaping” into higher technological levels or to reach these levels through successive stages of development. Like other developing countries, China has the option of “leaping” by means of imports of advanced modern technology. As we have noted above,

this option, which has usually meant imports of turn-key plants, involves heavy financial commitments and often questionable economic returns. An import strategy emphasizing turn-key projects and purchase of complete sets of equipment was rational during the 1950s when China lacked an industrial base, it is argued, but once a basic independent machine industry was established after the first decade of industrial development, it is wrong to continue this development strategy. Nevertheless China persisted during the 1970s to import turn-key plants for the metallurgical and chemical industries, an inappropriate technology policy that has not improved technological capability or economic strength. Purchases of complete sets of advanced technology may create units turning out high-quality products, but experience shows that they certainly do not raise the general technological level of industry because the domestic machine industry has not been involved in the construction of turn-key projects. These projects therefore cost relatively more (for example, foreign electric power generators are as much as three to four times as expensive as domestically produced equipment,²¹ but more serious is the fact that imports of complete plants provide China's machine industry with little incentive to improve its technology in order to become sub-suppliers in key projects. The policy of complete plant imports—an expression of the desire to “leap” into technological modernization—thus tends to act as an obstacle rather than an incentive to technological progress in Chinese industry.

A policy of integrating less rapid technological progress in domestic industry with selective imports of equipment and know-how from abroad seems more appropriate at present, but this policy of self-reliant technological development by stages is not without its own problems. First, the pace of technological development among advanced countries has not shown signs of diminishing; on the contrary, there is every indication that it may become even more rapid as the application of micro-electronic technology to industrial processes becomes more widespread. China will have to face this international challenge, and a slow rate of technological development may widen the gap that now exists between Chinese and international levels of technology.²² Second, a less rapid development may be plainly unacceptable in areas of strategic importance to national economic independence or military modernization. Finally, in areas such as nuclear energy China is unlikely to achieve the domestic capability to produce advanced equipment economically within a reasonable period. The Chinese recognize the advantages of an international division of labor in principle, but because of the size of the country and an understandable national pride they have found it difficult to accept this in practice; the result is a reluctance

²¹ Chen Huiqin, “Orientation of Technology Imports,” p. 24.

²² A detailed analysis of this dilemma and its consequences for China's modernization of technology and science is presented in Jon Sigurdson, “China's Tortuous Road to Autonomy in Technology and Science,” *Endeavour*, New Series, 5:2 (1981), pp. 75–82.

to rely on foreign supplies in any area and a tendency to build a technological and scientific base in every field. The present policies attempt to balance the wish for rapid technological development through selective imports with measures to integrate foreign and domestic technological capabilities—for example, through license and joint-venture agreements. The readjustment concentrates on technological modernization of production in existing enterprises, and the obsession with reduction of expenditures probably means that China's experiments with the introduction of advanced technology will remain marginal to the economy for a number of years.

After the Chinese planners have decided that imports of advanced technology should be restricted, the crucial issue of finding an optimum policy for domestic technological development remains. The conventional wisdom in China today is that science and technology should serve economic development. On the one hand, this means that among the eight areas announced as priorities at the National Science Conference in 1978, only agriculture, energy, materials, and computers are regarded as priority areas today, while areas with little direct relevance for economic development—e.g., high energy physics—will receive less support.²³ On the other hand, it also implies that the technology policy for individual sectors and the society at large must be formulated in accordance with this principle. In other words, the allocation of financial resources for technological development must be made in accordance with a policy on the optimum technology mix, in this case a combination of technologies that promote economic development. We shall see that there is no definite conception of what this implies; opinions among researchers differ widely while the leadership has been hesitating to settle on a definite policy.

The range of technologies available to China today has been analyzed by researchers on the science of science²⁴ in terms of four categories according to criteria of technological level and economic costs.²⁵ These categories fit into a matrix that then becomes the theoretical foundation for choosing a suitable technology mix for China (see Figure 1). The four categories are:

- (1) Backward, high-cost technologies (for example, the notorious "backyard furnaces," small fertilizer plants, and the rural agricultural machinery factories still existing in China).
- (2) Intermediate, economically feasible technologies (for example, coal

²³ *Ibid.*, p. 76.

²⁴ The science of science (corresponding to sociology of science in the U.S.) has grown long with technological economics to become a major area of interest among the Chinese. For an account of the concepts and activities of this discipline, called "Scienology" in China, see Erik Baark and Aant Elzinga, "Re-birth of the Science of Science in China," forthcoming in the Polish journal, *Science of Science*.

²⁵ This model is presented in Lu Taihong, "On Technical Advancement & Economic Rationality," *Kexuexue yu Kexue Jishu Guanli*, No. 2 (1980), pp. 11–14, and also by Lu Taihong and Shi Zhongliang in an article with the same title in *Jingji Yanjiu*, No. 11 (1980), pp. 33–37+18.

as a major energy source). Most of the equipment of Chinese enterprises also belong to this category.

- (3) Advanced, high-cost technologies (for example, solar energy technologies and super-fast trains suspended over rails, by means of magnetic fields).
- (4) Advanced, low-cost technologies (for example, microcomputers that sell for \$300 in the U.S. today).

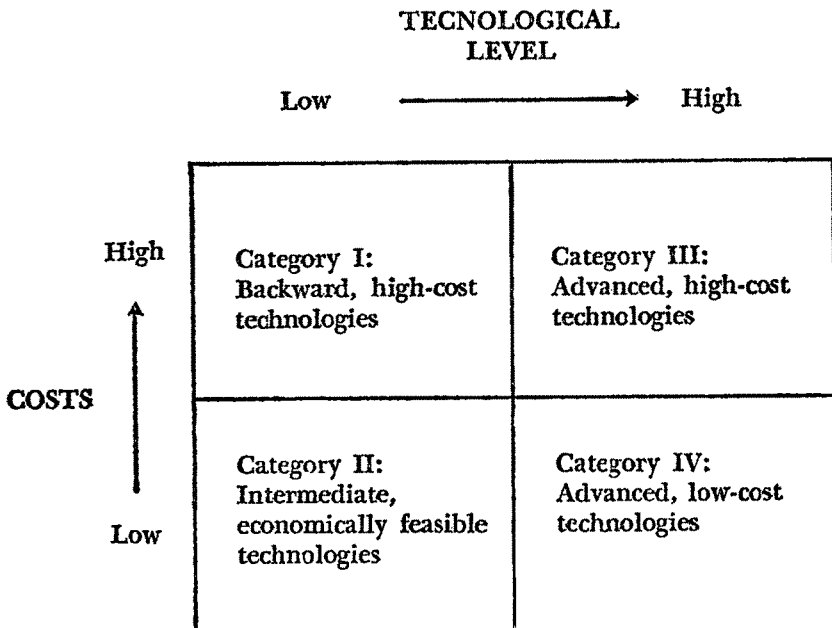


Figure 1: The Technology Mix Matrix

The authors reach the conclusion that the most rational policy would be to continue to utilize the intermediate technologies (category 2) that exist in most places in China. These intermediate technologies require very small investments but yield quick results; it is also argued that the quality of the products turned out with such technologies is comparatively good so that they have a certain degree of competitiveness. The example of the Anshan Iron and Steel Works has been cited to show how the comparatively inexpensive intermediate technology utilized in key enterprises in China can produce good results. In contrast, the backward, inefficient technology of small-scale enterprises (category 1), which are accused of competing with more efficient units for energy and raw materials, are extremely unpopular with Chinese economists today, and needless to say it is proposed to eradicate such technologies from Chinese industry. Moreover, the authors argue that the low-cost, advanced technologies (category 4) would be suitable for

introduction into China, while those advanced technologies that have not yet reached economically feasible stages (category 3) will not be of any value in the Chinese context. The authors distinguish between several stages of development of advanced technologies and emphasize that China should devote its resources to the acquisition of technologies that have already reached mature forms such as those that have been developed to a commercial stage. Consequently China should discontinue its efforts at developing technologies of the future—e.g., by cutting down on the extensive research on optical fibre communication that has been going on for a number of years.

The problem with this model is that it evaluates technologies in their ideal form and ignores the social aspects of technology policies. The employment problem is, for example, one of the key social factors influencing technology policies of the West, and if we judge by recent debates in China, unemployment of both rural and urban youth will present a virtual nightmare to the leadership in coming years. Probably as a consequence of these dark prospects, the concept of "appropriate technology" became very fashionable among Chinese economists and policy makers during 1980. The "appropriate technology" for China is labor-intensive technologies, the argument goes, because China has a large population and scarce financial resources. There is a certain logic behind this reasoning, but the implication cannot be anything but an acceptance of low productivity in most Chinese enterprises, a strategy that contradicts the general policy of promoting economic efficiency. In all likelihood the utilization of "appropriate technologies" will be reserved for marginalized segments of the economy, and at best this strategy can only postpone the modernization dilemma.

Innovation and Research Management

If the Chinese leadership settles for a new policy of self-reliance in technological development in line with the philosophy of readjustment, the questions of innovation and research management become of paramount importance. China has performed miserably in the field of technological innovation during the past three decades, and if the aim of developing or assimilating more advanced technologies and raising the technological level of products is to be achieved, the structural and political barriers to more rapid innovation must be removed. Evidence of an extremely slow rate of innovation is present in most of Chinese industry, but the example of the truck industry will suffice to show how serious the economic consequences of a persistent lack of innovation can be. While the trucks produced in advanced industrialized countries like Japan have been subject to continuous innovation with regard to technical features such as the net weight/loading capacity ratio and fuel consumption, Chinese trucks are still produced according to designs from the 1950s. Foreign trucks of medium tonnage—

i.e., a loading capacity of 4–5 tons—usually have a net weight of $2\frac{1}{2}$ –3 tons. Chinese trucks of similar tonnage are produced with a 1:1 ratio between net weight and loading capacity, that is, they weigh 4–5 tons on their own. In other words, the design of Chinese trucks means a waste of more than one ton of steel for each truck produced. Equally serious consequences of old designs appear with regard to fuel consumption. In comparison with trucks available on the international market, the Chinese trucks consume 35–55% more gasoline. Consumption rates do not even appear to be standardized for each model; for example a “Liberation” truck may consume 28 litres per 100 kilometers in more fuel efficient versions but as much as 36 litres over the same distance in the least fuel efficient versions.²⁶ This kind of waste is of course intolerable in the context of the shortages of steel and diesel oil in China at present.

The slow rate of innovation during the last ten years has been revealed in an interesting investigation of 749 new products developed at 35 units of Shanghai's electronic and machine industries since 1968.²⁷ This investigation showed that the time needed to get from the design stage to the first prototype was one year for 26% of the items, two to three years for 58.1%, and four years or more for 15.9% of the products. The time taken to develop the prototypes so that actual commercial production could be initiated seems to have been even longer. Only 33.5% of the products had been put into batch production at the time of the investigation. The results of these innovations were not particularly impressive either; only 18.5% of the new products reached the level of the most advanced technical standards of the 1960s within China, and as few as 5.3% of the products were of a technological level equivalent to international standards of the 1970s. Bearing in mind that these figures come from the industrial metropolis of China, there is every reason to suspect that the speed and efficiency of innovation in China generally lag significantly behind those of industrialized countries. The task of pouring new life into innovation processes in China is pressing.

Western theories of innovation processes have emphasized two crucial aspects of modern innovation activities. One is the increasing role of scientific research as a prerequisite for the development of new technologies and products. This aspect has given rise to the formulation of a “science push” model of innovation; in crude terms, this model sees the process of innovation as a series of stages in which the potential created by a scientific discovery is put into commercial use—i.e., scientific advance “pushes” technological innovation forward. Another aspect is the decisive role of market demand in determining the rate and

²⁶ Wang Enkui, “Talk on Technological Economics.”

²⁷ Zhang Zhongxiu, Liu Ji, and Mei Quguang, “Suggestions About Management of New Product Development and Its Improvement,” *Kexuexue yu Kexue Jishu Guanli*, No. 2 (1980), p. 15.

direction of innovation. The "market pull" model formulated against this background thus regards innovation as a process in which perceived needs will direct scientific research to the development of a new product, which in turn, under favorable financial and managerial conditions, can be put into commercial production—i.e., market demand "pulls" research in the direction of development of new products. Most successful innovations represent a combination of these two aspects, but in relation to our discussion of China it is pertinent to draw attention to the importance of integration of research with production on the one hand, and the decisive role of motivation and the financial conditions for innovation on the other. These features of modern innovation processes are likely to be as relevant to technological progress in Chinese enterprises as elsewhere in the world. We shall therefore briefly review some trends in Chinese policies that deal with these features.

The lack of integration of research and production is a fairly common phenomenon in practically every country, but the problem has tended to be more difficult to overcome in socialist and developing countries. In China the difficulties have remained despite several attempts to bring about better links between research institutes and production units. One of the latest of such attempts was the totally unsuccessful efforts by the radicals of the Cultural Revolution to bring scientists and workers together at production units. Part of the explanation for the persistent lack of integration lies in the small size of the Chinese research sector, including the absence of a sizable body of competent scientists and engineers. But much of the origin of weak linkages between research and production must be found in the management of research, and quite a few proposals are put forward to solve the integration problems through new management models. The proposal that would seem to bring about the most fundamental structural change is known as the "economic management of research." Essentially the economic management of research implies that much of the research and development required for new products will be carried out by research institutes on a contract basis, an idea that is in sharp contrast to the present research management system in which the activities of the research institutes are determined by the administration according to annual plans.

The criticism against the present management system focusses on the fact that fixing research topics through orders from the administration deprives the research institutes of the incentive to cooperate closely with production units on the development of prototypes. The process of transforming a result of research into some form of prototype production is known to be one of the most difficult stages of innovation because it requires a very close collaboration between the people involved. The figures on time lags between design and prototype production cited above indicate the difficulties that exist at this stage in China.

The introduction of research contracts is bound to motivate the researchers towards more intimate cooperation with the production units; the incentive is the money that would be gained through the contract. The proponents of the economic management model thus speak about the "commercialization of research results" and the "enterprisation of research institutes" and stress that this way of integrating research with production is in accordance with the development of the socialist economy and is beneficial to all parties.²⁸ The principal advantages of the economic management model have thus been summarized as providing better links with production, promoting the financial and academic autonomy of research institutes, and raising the total amount of applied research conducted in China without placing additional burdens on the state budget.

In Sichuan province experiments with the contract system have been able to confirm the reformers' beliefs in the advantages of the new system.²⁹ A few of the results deserve to be mentioned here. First, the completion rate of research work grew immensely; at fifteen of the sixty institutes involved, the results of research work finished in 1979 equalled the total completed between 1972 and 1978. Furthermore, 85.2% of the results of research in 1979 have already been put into production. Second, the income of the research units has increased considerably; the Sichuan institutes earned an average 74.3% of its total income from external services. This money was spent on purchases of equipment, bonuses to the researchers, and employment and training of new personnel. The bonuses raised the earnings of most people by about 100 yuan in 1979, while in the first half of 1980 the monthly wage was increased by an average 7-8 yuan and sometimes up to 10 yuan.

The new model is not without its critics, however. When the subject was raised at a large conference on the science of science in November 1980, a hot debate flared up on the consequences of such a reform. The critics maintained that science followed scientific laws and not economic laws; more importantly, however, they claimed that the contract system would draw the attention away from more long-term projects and reduce the research institutes to technical departments of the enterprises.³⁰ Nobody seemed to be worried about the rise in wages; the debaters were scientists themselves, and scientists are still paid lower wages than workers in key enterprises in China.

At least in theory the economic management model should be able

²⁸ Hu Yuezheng, "An Investigation of Questions Relating to the Commercialization of Research Results," *Keyan Guanli*, No. 1 (1980), pp. 33-39.

²⁹ "An Examination of the Conditions of Enlarged Autonomy to the Research Institutes in Sichuan Province" by the Investigation Bureau of the Scientific and Technological Committee of Sichuan Province, *Keyan Guanli*, No. 1 (1981), pp. 54-58.

³⁰ See the report from the conference by Li Xiuguo in *Journal of Dialectics of Nature*, No. 2 (1981), pp. 78-79.

to motivate research units to develop close linkages with production units and also create better opportunities for a "market pull" effect on innovation in China. But where should the money for the "purchase" of research come from? This question is unresolved so long as the structure of enterprise management remains the same as it has been during the last two decades. A typical example is the procedures maintained for depreciation of equipment in Chinese industrial enterprises. The rate of depreciation in Chinese industry is approximately 3%; at a key enterprise like the Anshan Iron and Steel Works the rate of depreciation is as low as 2.92%, which means that it takes 34 years to replace equipment at its original price.³¹

Moreover, the limited funds obtained through this depreciation rate are used to maintain the equipment, while larger sums are handed over to higher authorities for other investments. In other words, the autonomy of enterprises in retaining funds for research and technological upgrading of equipment is a prerequisite for them to make contracts with research institutes. One author argues that this can be done without putting an extra strain on the state budget; on the contrary, this reform may increase state revenues through higher profits obtained after technological innovation has taken place. Money could be diverted from many sources of income for the enterprises into more concentrated efforts at research and development. A concrete proposal lists the following sources:³²

1. Depreciation funds: It is proposed that enterprises retain 70-100% of their depreciation funds (and use at least 10-15% of these for pure research and development purposes).
2. Profits (regular): An average 3% of the profits should be retained for research and development funds, raising the percentage to 5-6% for low-profit industries and cutting it to 2.5-3% in high-profit industries.
3. Profits (above quota): 20-25% of the above-quota profits can be retained.
4. Costs: The expenditures for research and development work should be included (no more than 1% of total costs) in the price of products over a three-year period.
5. Sale of technology: All income from sales of services related to techniques developed at the enterprise (e.g., patents) should be retained for new research and development investments.
6. National funds: Interest-free loans may be supplied from national funds for high priority research.

Whatever the fate of such experiments in the management of enterprise funds, it can be seen that the structural reform of innovation processes in China is a complex issue. The sincere efforts to create

³¹ Li Tao, "An Initial Inquiry into the Question of Maintenance and Innovation of Equipment," *Hongqi*, No. 12 (1979), pp. 22-24.

³² Yang Jun, "Open the Road for the Research and Development Work at Enterprises," *Guangming Ribao*, May 31, 1980, p. 4.

better motivational and financial conditions may easily contradict other priorities in science and technology planning—e.g., the reduction of duplicate research. Government policies combining some form of direction of research and development on a national scale with flexible policies concerning micro-level innovation have been successful in other countries (e.g., in Japan) and the problem for China will be to create similar, effective policies of its own.

Conclusion:

Is a Capability for a Technology Policy Analysis Emerging?

The present article has been devoted to a description of some problems facing the Chinese leadership in its attempt to achieve technological modernization. Many of the problems are not specific to China, and many may have been aggravated by unfortunate policies of the past. The main point is, however, that in order to solve the problems the leadership will need to develop a capability for technology policy analysis to assist them in devising efficient policies—i.e., they will need to establish a think tank.

The most probable candidates for a think tank on technology policy issues are the technological economists and their associates in the research policy field. The influence of the technological economists on the leadership can be seen from the fact that it was they who toppled the Boashan project. The present question is whether they will be able to lead China's economic and technological development on the road to modernization. The above analysis has shown that the pragmatic rationalism of the concepts and methodologies of technological economics signals the development of sensible approaches to investments, technology imports, and choice of technology in the future. But it also became clear that the same concepts and methodologies were on shaky ground when the most fundamental issues in modernization were at stake. One reason is that cost accounting methodologies may fail to yield rational long-term solutions in a centrally planned economy. Another reason is that the concepts must be refined when dealing with more complex issues of social contexts of technological development and innovation processes.

It is only a matter of time before a broader range of technology policy analysis emerges if the will to learn from past mistakes and to abandon dogmatic approaches is present. This seems to be the case in China today.

SOCIAL COHESION AND POLITICAL CLIENTILISM AMONG THE KSHATRIYAS OF GUJARAT

A. H. Somjee

IN THE GENERAL ELECTION of 1980, Indira Gandhi won one of the most unpredictable electoral victories in India. Apart from the volume of popular support and the number of seats won by her party, what baffled journalists and scholars alike was that in certain states in India such as Gujarat—which has been the home state of a mass national movement against British rule, of the dissent movement against cynical party manipulations in the 1960s, and above all, of the political accountability movement of the 1970s—all but one seat should have been given to Indira Gandhi in the 1980 general election. Although Mrs. Gandhi's party had secured nearly half the seats in Gujarat in the 1977 elections, during the subsequent election it was not expected to do as well as it finally did.

In Gujarat, as elsewhere in India, for the first time the bulk of the landless laborers, small farmers, ex-untouchables, Christians, Muslims, and a cross-section of women from the middle and the upper strata of social organizations voted for Mrs. Gandhi's party (Congress I) in a big way. Their reasons for doing so were the rise in the cost of living, deterioration of law and order, failure of the top leadership to allay the fears of the religious minorities, and a picture of a squabbling leadership that seemed more interested in jockeying for positions than solving India's pressing economic problems.

One of the social groups that voted for Mrs. Gandhi was the Kshatriyas. This article will analyze their social background and their continuing political dependence on the Congress to help them out of their economic plight. Such help never came. In the meantime, the social group ritually and economically much below them, the ex-untouchables, has now started scoring an impressive economic advance

over the Kshatriyas. Such a position sooner or later will induce the Kshatriyas to reassess their dependence on the Congress.

This article is divided into the following parts: (1) the social organization of the Kshatriyas; (2) the ethnic political organizations of the Kshatriyas; (3) growing clientelist dependence on the Congress; and (4) the continuing social and economic stagnation of the Kshatriyas. In order to examine the various problems of this social group intensively, we shall concentrate on the area where their political leadership explored the various possibilities of their social and economic advancement, namely, the district of Kaira, in Gujarat, and particularly the politically active center of Anand.

The Social Organization of the Kshatriyas

In all the elections in Anand, any candidate supported by the bulk of the Kshatriyas had a good chance of winning the elections because the Kshatriyas were the largest composite social group, constituting nearly one-fourth of its population. The Kshatriyas of Anand were a group of clans, some more closely knit than others, with rigid endogamous networks connecting them with 242 different villages in the region for the purposes of matrimony and ritual observance. The clans of Chauhans, Chavadas, Gohels, Thakores, and Parmars stood in hierarchical relation to each other in Anand. There were few Chauhans, but they stood above the rest; the Chavadas and the Gohels had an equal status; Thakores were considered to be outsiders, in particular the descendants of Patanwadis, who were regarded as socially inferior. The status of Parmars within the Kshatriya hierarchy remained a matter of dispute.

The Kshatriyas of Anand, like the Patidars (the other agriculturist caste in the area), did not easily fit into the traditional varna hierarchy. Still, their social position within the Hindu social organization remained a matter of considerable historical and anthropological speculation with genealogists taking yet another position. Like the Patidars, though not as much, the Kshatriyas also registered some degree of social mobility.

During the pre-British days, the villages of this region were divided into two categories: Rasti (peaceful) and Mewasi (turbulent). The Mewasi villages were populated by Rajputs and/or Kolis who had first lost most of the land to the Muslims and then to the Marathas. Periodically the deprived population tried to assert its independence but was always sternly put down.¹

¹ "Political system in Eighteenth Century Gujarat" by A. M. Shah, *Inquiry*, Vol. I, p. 88. *The Gazetteer of Bombay Presidency* described them as follows: "The Koli element in the population of the district (Kaira) is important. They form the largest tribe or caste with total strength of . . . 35.93 p.c. of the entire population . . . they are . . . the class whose character and position have improved most under the British rule. Idle and turbulent in the early part of the present century [nineteenth], they are now as a body quiet and hardworking. Even in the most settled times of Gujarat history, the Kolis were only partially brought under order and

There were Rajput princes and Koli chieftains and beneath them the large mass of Koli population. The Kolis stood in a hypergamous relationship with the Rajputs because some Rajputs took Koli girls as wives.² Despite the fact that there was no relative difference in economic status, power position, and social distance among the Rajputs, on the one hand, and the Kolis and their chieftains on the other, the logical place within the Hindu social organization for all of them was the broad category of *Kshatriyas*. Either in terms of ancestral claims or traditional occupation, or projected social status, they all fell into this common category. But such an identity, born out of varying degrees of drive and difference in motivation, was neither fully accomplished nor recognized by the other segments of the Hindu social organization.

For the Patidars, the search for a new social identity within the Hindu social organization—because of a high rate of economic development, political power, and relatively fewer internal differences—did not become an issue of great importance. But it did as far as the *Kshatriyas* were concerned. For the rank and file *Kshatriya*, recognition as a *Kshatriya* in the 1950s and 1960s within the emerging political society of democratic India was as important as the problems of participation and a better standard of living. The more he asserted his common *Kshatriya* identity, the more he became aware of the vast differences between him and the upper crust Rajputs within the *Kshatriya* fold until the growing secular culture of political society shifted his attention to the problems of participation and economic betterment.

Despite an attempt at "homogenization"³ of the *Kshatriyas*, a deeply entrenched social hierarchy ran right through the *Kshatriya* community of the region. There were the Jadejas, the princely Rajputs, the feudal Garasias, down to the agriculturist Barias, and those held in contempt for their "criminal" past such as the Patanwadias. While to the upper class Rajputs a common category of *Kshatriya* became a political expediency for getting the traditional political support of a numerically large group of people, to those in the rank and file it became a social goal that promised social rehabilitation after many centuries. But within the heartland of *Kshatriya* activity, namely Kaira district, *Kshatriya* political homogeneity in electoral choices started declining precisely at the time the *Kshatriyas* were being brought together socially.

The *Kshatriyas* of Anand were, economically speaking, a backward group. They made a living as small-scale agriculturists, unskilled workers in various industrial units, or by doing odd jobs. Their level of

during the disturbances and misrule of the eighteenth century, they threw off every restraint and for the most part lived on the proceeds of plunder and robbery." (Bombay, Government Central Press, 1879), p. 32.

² *Ibid.*

³ See S. Rudolph and L. Rudolph, *Modernity of Tradition* (Chicago: The University of Chicago Press, 1967), p. 34-36.

literacy was pretty close to that of the scheduled tribes. More than 60% of Anand Kshatriyas were born there and the remaining had come from neighboring villages in search of employment.

Socially speaking, the Kshatriyas were divided into two large groups, Chauhans and Chavadas. According to genealogists, their ancestors had settled in Anand and its vicinity in the 13th and the 16th centuries, respectively. The fact that the Chavadas had come to this area before still another important group, the Gohel, was often claimed as a point in favor of the former. Then there were groups of Solankis, Parmars, Vaghelas, Rathods, and Padhiars who were considered to be "outsiders" because the length of their stay in Anand, relatively speaking, was not that long. With a few exceptions, most Kshatriya localities were largely kin group localities.

The Chavadas of Anand were, by and large, owners or sharecroppers on land owned by Patidars. Some of them in recent years had also started restaurants, pan-bidi, and grain shops of their own. One of the prominent Chavada families had great success in the milk trade. The economic success and social status of the family had naturally helped the head of the family play a prominent part in Kshatriya and later on in Anand politics. His entry into politics was facilitated when the Congress in the 1960s was trying to check the Swatantra party's growing influence on the Kshatriyas. Moreover, a number of Chavada school teachers and semi-skilled workers had also helped him organize a Kshatriya following.

Among the Gohels, educational levels and occupational diversity were greater. A number of Gohels were factory workers and as such had some union experience. But unlike the Chavadas, the Gohels did not have any outstanding leader of their own. This vacuum, however, was filled by a Solanki, an outsider whose mother was a Gohel from Anand, who therefore had no difficulty in identifying himself with the Gohels of Anand. Like the Chavada leader, he too was in the milk trade and was launched by the Congress into politics. In terms of political status, the Solanki had done extremely well. The Congress party first elected him to the position of Congress party taluka secretary, made him an honorary magistrate, and finally got him elected to the Gujarat State Assembly in 1975. He remained a loyal congressman during the trying days of the Navnirman movement, the Emergency, and the Janata Party victory in the election of 1977. He was also the architect of the Congress (I) victory in Anand in 1980.

The Ethnic Political Organization of the Kshatriyas

Let us now examine in some detail the mobilization of the Kshatriyas in the politics of Anand. With the introduction of universal adult suffrage after 1947, the Kshatriyas of the constituency became the most important factor in its politics. In the first two general elections, 1951 and 1957, the Congress had no difficulty in mobilizing them in its

favor. Together with the electoral asset provided by the names of Gandhi and Nehru, the Congress had also acquired a pro-underdog image when it put the Land Tenancy Act on the statute books. During those two elections, the Kshatriyas gave near unanimous support to the Congress. But in the 1962 election, a great problem was created for Kshatriyas when their caste association, the Kshatriya Sabha, asked for their support for a princely Kshatriya leader, Narendra Singh Mahida, who had been nominated by the Swatantra party. Despite the candidature of Mahida and an electoral brief from the Kshatriya Sabha, the Kshatriyas of Anand gave four-fifths of their vote to the Congress candidate. In other words, the Kshatriyas, having aligned themselves with a political party like the Congress, refused to desecularize their vote in favor of their caste organization or even the caste candidate.

The motivations behind the establishment of the Kshatriya Sabha were complex. There were several that were easily identifiable: the need for social recognition and mobility for the average Kshatriya who was emerging from the status of a Koli and in some cases was treated as a member of a criminal tribe; the integration of various segments that fell under the general rubric of Kshatriyas; social reform to overcome illiteracy, indolence, alcoholism, and agricultural indebtedness; jobs in police, army, and civil service; acting as a pressure group on the Congress for the general upliftment of the Kshatriyas; and finally, exploring the ways such a numerically strong group could play an effective part in the democratic system of India.⁴ Not all these motivations were in evidence at the time the Kshatriya Sabha was established.

A close look at the *Rajput Bandhu*, a Kshatriya publication that preceded the formation of Kshatriya Sabha, will provide insights into the complex antecedents to the formation of that organization. The initial object of the *Rajput Bandhu* was to raise the social consciousness of the Kshatriyas. Right from its very first issue, the journal put an enormous emphasis on social reform mainly because its enlightened editor Narendra Singh Mahida was deeply influenced by the social-work oriented ideology of the Congress during the interwar years. It was his hope that the socially conscious Kshatriyas would not only enjoy social equality with others but also be able to get back into the mainstream of

⁴ Rajni Kothari and Rushikesh Maru wrote in their "Caste and Secularism in India" as follows: "common economic interests and growing secular identity born partly out of past folklore but common resentment against the well-to-do castes have brought these different castes (of Kshatriyas and non-Kshatriyas) together." *The Journal of Asian Studies*, XXV:1, November 1965, p. 35. I am not very sure whether a "growing secular identity" was in evidence at the time of their joining a caste association like the Kshatriya Sabha. The rank and file of the Kolis, Barias, and others first of all wanted to be recognized as Kshatriyas. To the bulk of them, whether they became members or not, the possibility of eradicating the social humiliation had a powerful appeal. Later on their involvement in democratic politics, at the local level first and then in the general elections of 1957, 1962, and 1967, coupled with the questions of who would work for their economic betterment, had a far-reaching secularizing effect expressing itself in political differentiations among them. This latter position, I believe, is also implicit in their paper.

Indian life. But Morarji Desai, then the Home Minister of Bombay, in his message to the journal, indicated the need for Kshatriya integration into the community as a whole rather than an ethnic consolidation among themselves that could be used for sectional communal interests only.

In the subsequent issue of *Rajput Bandhu*, a picture of Chitodgrah, the most venerated Kshatriya symbol of courage and sacrifice, appeared. Then came the picture of Laxmibai and finally the slogan of "Jai Somnath," which the Kshatriya martyrs had used while defending temples against Muslim invaders centuries earlier. All these were a part of the Kshatriya heritage, and the organizers of the journal thought it necessary to use them in order to awaken the pride of Kshatriyas. Despite the fact that a similar approach had been used by Tilak and Gandhi during India's struggle for freedom, it did not go over very well during the post-independence period when India was emerging from communal bloodshed. Subsequently, such slogans and credos created many problems for the affiliation of the *Sabha* with a body like the Congress Party, which was committed to secularism.

In preparation for the establishment of the Sabha, the Kshatriya volunteers walked through various parts of Gujarat. Finally, on January 11, 1948, the Kshatriya Sabha was established and was addressed by Gujarat's most venerated social worker, Ravi Shankar Maharaj. In his speech, his reservations were clearly expressed. He maintained that "whoever has Kshatriya swabhav (temperament) was a Kshatriya."

The Sabha's goals were listed as follows: job opportunities for the Kshatriyas in the army and police; emphasis on education and social reforms; restoration of weapons; and finally, Kshatriya solidarity. In 1950, the Sabha held a session at Ahmedabad and invited Morarji Desai to address them. Desai in his address bluntly criticized the sword as the symbol of the organization and the Kshatriya *sangathan* (consolidation). He also warned the organizers against the Sabha's possible political use in a communal fashion. The organizers of the Sabha were naturally furious and protested against Desai's insinuations through the pages of *Rajput Bandhu*. Subsequently, in order to patch up its differences with Desai, the Sabha assured him that it would stand by the Congress.

During the First General Election in 1952, the Sabha did not come out with an electoral brief but organizers were jubilant to see its top organizers elected to legislative bodies. The period between the first election and the Second General Election in 1957 was devoted to specific areas of social work, widening the base of the organization, an ambivalent attitude to the Land Tenancy Act because of the extremes in economic standing of its membership, and a continued search for affiliation with the Congress.

One of the major social achievements of the Sabha was an attempt to take back into the Kshatriya fold all those segments of society that had lost their social identity because of historical circumstances. This officially referred to "Harijans, Banjaras, Rabaris, Vallands, Banias, and

Luhanas"⁵ and Molesalam Garasias. Nevertheless, with the exception of the last group, nothing was done to re-Kshatriyize them.

As far as the Molesalam Garasias were concerned, the Sabha's attempt to get them back into the Kshatriya fold is worth noting. There were 250 families (roughly 1,250 persons) of a community known as Makwana-Zhala Rajput Molesalam who had been forcibly converted to Islam in the past. Earlier, in 1910, 1922, and 1923, attempts had been made for their ritual re-entry into the Kshatriya community but it did not materialize. In a ceremony arranged at the village of Khadal in 1953, the Thakur of Khadal said that despite being Molesalams, the community has scrupulously observed respect for the three basic features of Hinduism—namely, *Gaay*, *Ganga*, and *Gayotri* (cow, the holy river Ganges, and the Hindu prayer) and that there should therefore be no difficulty in taking them back. Fifteen thousand persons in their *Kesari sanfa* (traditional saffron-coloured turban of the Rajputs) and with swords were present to witness the ceremony. Recording the event, Mahida wrote that there should not be a mere *hooka* relationship (indicating sociability) but also *roti*, *beti*, and *vhahvar* (interdining, intermarriage, and close contact) with them.⁶

In the early 1950s, one could notice the three different strands in the activities of the Sabha: emphasis on employment opportunities for the Kshatriyas; the realization of the pan-Kshatriya social integration; and a search for an affiliation with a party organization such as the Congress. By 1953, emphasis on the first two was becoming less and less pronounced. Instead of an active attempt to open up job opportunities, the Kshatriyas began to get only advice from their organizers. So far as social integration within the Kshatriyas was concerned, the problem of the hierarchy among the Kshatriyas themselves was not addressed. The hierarchical element as well as the class character of the leadership and the rank and file became increasingly noticeable.

As a concession to the growing class consciousness among the Kshatriyas, the name of their journal was changed in 1956 from *Rajput Bandhu* to *Kshatriya Bandhu* because "Rajput" was indicative of upper crust Kshatriya. But that was a minor adjustment. What proved to be infinitely more difficult was the forging of a common approach to the Land Tenancy Act. While the hopes of the rank and file were aroused by the Act, which was designed to make tenant cultivators the owners of the land, the feudal element among them rejected it outright because of the threat of the loss of their land.⁷ The top leadership of the Sabha remained ambivalent on the issue.

⁵ "I am a free citizen" by K. G. Chudasama in *Rajput Bandhu*, December 14, 1950, p. 2.

⁶ For the details of the ceremony, see N. Mahida, "Khadalana Suddhi Samarang Prasange," *Rajput Bandhu*, April 1953.

⁷ M. B. Desai, *Report on An Enquiry into the Working of Bombay Tenancy and Agricultural Land Acts* (Bombay: The Indian Society of Agricultural Economics, 1958).

When the Congress finally refused to affiliate the Sabha because of the latter's communal character, its leaders decided, after prolonged negotiations, to affiliate with the Swatantra Party. This shocked the rank and file Kshatriyas, and the Kshatriya leaders of Anand refused to disassociate themselves from the Congress. In the 1962 election, Mahida, who now stood as a Swatantra candidate, received only one-fifth of the Anand Kshatriya vote.

The affiliation of the Sabha with the Swatantra party without much consultation even with the second line leadership brought to the surface the criticism of the social hierarchy and class character of the organization. It was now characterized as an organization of the Rajas and Maharajas designed to fight elections only.

The District Congress was quick to realize this mood on the part of the average Kshatriya and therefore encouraged the younger Kshatriya leaders to continue their association with the Congress and build their own following in the district. With the help of the Congress leaders of Anand, mostly Patidars, the younger Kshatriyas of humble birth established a rival organization called the Kshatriya Samaj (Samaj). While some of the upper crust Kshatriyas sided with them, they were not elected to any official positions. The Chavadas and the Gohels of Anand played a leading part in its formation. In the election of 1967 it succeeded in nominating a Kshatriya of humble birth as the Congress Assembly candidate and in getting him elected to the state legislature.

Growing Clientlist Dependence on the Congress

In the elections of 1971, 1975, 1977, and 1980, neither the Sabha nor the Samaj played any significant role. For nearly three decades the Congress enjoyed Kshatriya support largely because of its pro-underdog image. Over the years, however, this support gradually dwindled as a result of the Congress' failure to implement its own pro-underdog policies and to produce professed results. Simultaneously the Kshatriyas themselves had politically matured as a result of their exposure to the democratic process of debate and policy evaluation and were able to use the instrumentality of the ballot box to express their growing resentment of the Congress. Such a mood, however, could not collect a majority of Kshatriya support.

Unlike the Kshatriyas, the Patidars had sorted out for themselves the problem of their social identity and the eradication of social humiliation vis-à-vis the upper caste long before the introduction of democratic institutions and procedures. Furthermore, their rate of economic development, literacy, travels, and an historical association with administration etc., helped them right from the first general election in India to zero in on problems of participation, public policy, and economic benefits for themselves. Consequently, throughout the span of democracy in India, they were engaged in a constant search for alternatives that would suit them most.

In contrast, the problem of social identity forced the Kshatriyas to delay, as it were, their own widespread scrutiny of public policy and re-adjust their electoral support accordingly. In the initial years of Indian democracy, the Kshatriyas deeply felt that the Congress, through its egalitarian ideology, was aiming at raising their social as well as economic status. The accessibility of the administrators in the post-independence period was a welcome departure from what had gone on in the past. Furthermore, the Land Tenancy Act held out a great many promises for the agriculturist Kshatriyas. But when all these measures began to appear to be vote-catching measures on the part of the Congress party to keep itself in power with the help of a numerically powerful group, a few Kshatriyas began to search for alternatives to the Congress. There again, the reasons for trying out an alternative to the Congress in most cases were different. The differentiated Kshatriya vote from 1962 onwards was always preceded by an intense dialogue and evaluation in their innumerable residential groups, with the bulk of them still looking to the Congress to improve their economic condition.

For nearly three decades since Indian independence, the Kshatriyas and their political leadership had got used to viewing the solution of their economic backwardness, lack of education, unemployment, and poverty as heavily dependent, if not entirely so, on state action. Unlike other social groups who through individual and group initiatives set forth their own social goals and depended as much on their own resourcefulness as on public help, the Kshatriyas and their leadership expected public policy and state intervention of the far-reaching social and economic variety to help them out of their economic problems.

The Congress was aware of such an attitude among the Kshatriyas and the political leadership at the district and state level. Because it needed the Kshatriyas' vast numerical strength and effective electoral support for elections at all levels, the Congress cultivated and nurtured such an attitude by all kinds of promises and at times by means of legislation formally designed to help the poor. However, such legislation was not always effectively implemented. The introduction of the Land Tenancy Act in the 1950s, for instance, aroused great hopes among the Kshatriyas but its implementation remained partial and distorted. The Kshatriyas, on their part, throughout the 1950s, 1960s, and 1970s continued to look to the party in power and in particular to the Congress for economic deliverance. In the closing years of the 1970s, they were vehemently arguing in favor of extending the benefits set aside for backward castes and scheduled tribes to the economically backward people as such. Such a comprehensive category would enable them to be eligible for aid from the state.

Even the Kshatriyas who voted for the Swatantra party in the 1960s and for the Janata party in the 1977 and 1980 elections looked for a full measure of state help. The bulk of them, however, because of the pro-underdog image of the Congress and in particular Mrs. Gandhi,

continued to support her electorally in the hope that she would support them economically.

The Kshatriya leadership in villages, towns, districts, and the state on both sides of the party divide in keenly contested elections displayed this clientelist attitude. For all practical purposes, they treated themselves and their rank and file as the wards of the Congress or the party in power. The party in power should look after the problems of their economic betterment, and in return they would continue to provide loyal support to the party during elections.

While such an attitude on the part of the socially and economically backward people in a developing society was inevitable, the Kshatriyas, unlike other social groups in the region, refused to explore what they themselves could have done over and above state help. Moreover, the quality of their leadership and a continuing inability to take advantage of the phenomenal growth in educational facilities gave them neither a better capacity to effectively demand and use state aid nor the much-needed dynamism, restlessness, political agitation, and public manifestation of an anger that could have evoked a suitable response from the policy makers. Most of their leaders acted as electoral brokers between the Congress and the community. In return for a few favors—such as political nominations, ministerships, business contracts, and honorary magistrate's positions—the Kshatriya political leadership, election after election, agreed to mobilize the support of their people for the Congress. Even their electoral differentiation and search for political alternatives was guided by similar considerations of attitude and philosophy.

The Continuing Economic Stagnation of the Kshatriyas

In Kaira district, and in particular in the city of Anand during the last three decades, with a handful of exceptions, not many Kshatriyas came up the economic ladder. The Kshatriya youth increasingly began entering the university and other trade schools but relatively few stayed on and completed their education. The community has few teachers, lawyers, or skilled mechanics. So far as its entrepreneurial activities are concerned, only three individuals in the city of Anand had made any progress—two in the milk trade and one in the restaurant business. One of the milk traders did very well economically but instead of being able to give a helping hand in improving the conditions of his fellow Kshatriyas, he incurred their jealousy.

The burgeoning industrialization of Anand and its vicinity presented backward social groups with enormous employment opportunities. Its twenty-odd medium- and small-scale industries, with growing facilities for technical training, presented the youth of Anand with great job opportunities. The Kshatriya youth, however, failed to take advantage of this development.

In that respect, the Kshatriyas were even left behind the ex-



untouchables of Anand. Some ex-untouchable youth made the fullest use of the facilities for technical training provided by various public institutions and by Christian missionaries and then secured good jobs in various industrial units in Anand. Some also married ex-untouchable girls who took training as nurses. Because of the social stigma attached to the handling of bedpans in hospitals, most of the new recruits to the nursing profession from this area are ex-untouchable girls. An ex-untouchable mechanic, who fortunately experienced no social barrier to getting employment in factories, very nearly doubled his family income by marrying a nurse.

Kshatriya youth often mentioned how the ex-untouchables, converted to Christianity and with technical training, were beginning to overtake the Kshatriyas in income.⁸ The net result of such a realization was an increasing frustration on the part of Kshatriyas, tinged with envy. But as long as they and their leaders held on to a clientelist position to the Congress, they were not inclined even to explore the possibility of other escape routes from their own poverty.

In the 1980 election, the Kshatriyas produced highly competitive candidates on behalf of Congress (I) and Janata for its Anand as well as Kaira constituencies. These candidates adequately put across the two rival economic philosophies—unlimited state intervention on behalf of the poor, and state intervention to the extent to which the individual can be persuaded to work on his own. In this election, it was the former position, indicating a continuing clientelist attitude among the Kshatriyas, that won out.

Like many other economically backward segments of Indian society, the Kshatriyas succeeded in developing neither their own political militancy nor an effective political brokerage strategy between themselves and the Congress so were unable to secure initial benefits for their own advancement. Their inability to evaluate the results of their unproductive political clientilism merely prolonged their own economic and political backwardness. Nevertheless, the beginning of a relatively quicker pace of economic development, as registered by some of the ex-untouchables of the area, may yet stimulate them to undertake a cost benefit analysis of their political clientilism.

⁸ On a relatively faster rate of land acquisition by the Venkars (ex-untouchables) of Kaira, see A. H. Somjee and Geeta Somjee, "Cooperative Dairying and the Profiles of Social Change in India," *Economic Development and Cultural Change*, April 1978.

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MUSLIM SEPARATISM IN THE PHILIPPINES, 1972-1981: THE MAKING OF A STALEMATE

Lela G. Noble*

THIS ARTICLE FOCUSES on the Moro National Liberation Front, which has provided the leadership for the Muslim separatist movement in the Philippines during three periods: when fighting escalated markedly in 1972-1973, after the proclamation of martial law; when negotiations seemed to have produced an agreement that would end the fighting, in 1976-1977; and when fighting continued as martial law was officially lifted in 1980-1981. The article asks and attempts to answer why the MNLF did so well initially, why the negotiations did not succeed in settling the conflict, and what the prospects are for ending the current stalemate.

Emergence of the MNLF: 1972-1973

Much has been written about the origins of the Muslim separatist movement.¹ Joel De los Santos, for example, provides a list of its adherents:

disgruntled politicians, pushed by their lust for power; ambitious people who saw the movement as a vehicle for the launching of successful careers; displaced farmers who wanted to get their lands back from the Christian settlers; victims of army and police abuses who regarded the movement as an instrument of revenge; religious leaders who welcomed the movement as a chance to construct an Islamic theocratic state; idealistic intellectuals and students who were moved by a social duty; impatient and adventurous young men who wanted to test their fighting prowess; and others who joined because their friends and relatives were members of the movement. The leadership of the movement was initially provided by two groups—the students and intellectuals, and the disgruntled politicians.²

* This is a revision of a paper prepared for the annual meeting of the Association for Asian Studies, Toronto, March 13-15, 1981.

The list suggests the motivations, the scope, and some of the problems of the movement. Muslim separatism had centuries-old historical roots, but it was also a direct result of specific grievances accumulated during the 1960s. Increased Christian migration affected all sectors of Muslim society because it disrupted both traditional socioeconomic patterns and the political system that reflected and perpetuated them. Fighting between Christians and Muslims began in Cotabato in 1970 over land-related issues. It continued and spread as Christians received support from the Philippine Constabulary and both Christian and Muslim politicians mobilized armed bands to increase their chances of winning elections. Muslims lost the controversial elections in areas where population shifts had occurred, but maintained representation in the few areas where Muslims still predominated. Economic conditions continued to deteriorate. Meanwhile Muslim students in Manila were caught up in the radical protest activities centered there, and the worldwide Islamic resurgence both raised the consciousness and expanded the contacts of Philippine Muslims.

But the movement remained fragmented and its organization rudimentary until the imposition of martial law and the efforts of the new regime to collect weapons left many Muslims feeling they would be left with no recourse against a regime they perceived as being increasingly intrusive, abusive, and alien. The alternative was armed rebellion, which began spontaneously and spread rapidly.

Under these circumstances the MNLF moved into prominence. It had critical assets. Its Manila-educated leaders had developed an ideology that emphasized both "Moro" nationalism and social reform, yet they represented the various Muslim ethno-linguistic groups and maintained strong connections with traditional leaders and hence their followers. The original small group had been expanded by careful recruiting.³ Study of the tactics of revolutionary movements elsewhere was supplemented by military training in Malaysia. Contacts with Kaddafi of Libya provided funds, and support from Tun Mustapha, chief minister of the neighboring state of Sabah, provided both a supply route for weapons and a sanctuary. De los Santos summarizes:

(Initially) the most that the MNLF could do was to start their own fighting units in each area, independent of the partisan native units that were already in operation. The discipline, the organization, and the dedication of MNLF units began to influence the activities of other partisan groups. Thus when a call to unity in some sort of united front was sounded off, many of these groups decided to join the MNLF but on the condition that they would retain their own independent identity. By the end of 1973, a loose structure of unity was ready and a representative of the MNLF was already accepted in almost all fighting partisan groups.

This united front had, by the first quarter of 1974, intensified both its military and diplomatic activities. Domestically, attacks were launched against army outposts, communication lines, supply depots and even provincial capitals. In the diplomatic field, the MNLF succeeded in getting the attention of the Conference of Islamic Foreign Ministers. As a

consequence thereof, the MNLF sent a delegation to the Kuala Lumpur summit in June of 1974.⁴

The MNLF's delegation carried two documents, an "appeal letter" and a description of "the rise and fall of Moro statehood." Their message was clear: they wanted recognition and support in their battle for an independent Muslim state. They gained less than they wanted, since the foreign ministers' communiqué called for "a political and peaceful solution . . . within the framework of the national sovereignty and territorial integrity of the Philippines."⁵ Yet they did achieve an explicit description of the socioeconomic measures proposed by the Philippine government as inadequate and specific recognition of the MNLF as representative of Philippine Muslims.

Pressured by the costs of expanded military operations and the possibility of sanctions by states that controlled its oil supply, the Philippine government experimented with a variety of tactics. It made and shuffled appointments of Muslims; brought "rebel leaders" together for peace talks; created new offices and agencies; announced additional programs and appropriations; and spread rumors about factionalism, corruption, and foreign influence among the MNLF leadership. By mid-1975, before a meeting of the Islamic Foreign Ministers' Conference in Jidda, Marcos was proposing to restructure the southern Philippines into regions with "virtual autonomy."

The government efforts had some success, particularly since they coincided with a marked decrease in the arms flow after Tun Mustapha's defeat in the Sabah elections in mid-1975. Defections certainly increased. The MNLF leadership's credibility was apparently affected among both Muslims and Christians. Indiscipline among MNLF ranks was manifested in kidnappings, plane hijackings, and other acts of extortion. But it can be argued that the government's successes were counterproductive in terms of its own presumed objective of achieving peace. By weakening the Front's cohesion it weakened the Front's capacity to negotiate a settlement that might "hold"; rather than reducing the level of violence, it simply made the violence more random and vicious.

Ultimately, the government was forced to negotiate. It could not ignore or defeat the MNLF in the southern Philippines, and it could not isolate it from its Islamic supporters internationally. The "Committee of Four," appointed by the Foreign Ministers' Conference to oversee negotiations, was as insistent as the MNLF that Philippine proposals did not constitute an acceptable form of autonomy and that genuine autonomy was essential for the achievement of justice for Muslim Filipinos.

The Tripoli Agreement, 1976–1977

A series of meetings between Philippine officials and representatives of the Islamic Conference finally resulted in a visit by Imelda Marcos to Tripoli in November 1976 and negotiations involving

Philippine, Islamic Conference, and MNLF officials in Tripoli in December. The talks produced an agreement on a cease-fire and tentative terms for a peace settlement.

The cease-fire was to be supervised by a committee representing the Philippine government, the MNLF, and the Quadripartite Ministerial Commission (the "Committee of Four"). The terms, which were not released in the Philippines at the time, provided for "autonomy for the Muslims" in thirteen provinces. The "autonomy" was to include Muslim courts, a legislative assembly and executive council, an administrative system, special regional security forces and representation in the central government; control over education, finance, and the economic system; and a right to a "reasonable percentage" from the revenues of mines and minerals. The central government was to maintain responsibility for foreign policy and national defense affairs. The role of the MNLF forces in the Philippine Armed Forces and relationships between structures and policies of the "autonomy" and those of the central government were to be discussed later.⁶

The MNLF had reason to be satisfied with the preliminary agreement and with the cease-fire. While the MNLF had originally demanded that 21 provinces (all of Mindanao, Palawan, Basilan, and the Sulu Archipelago) be included in the "Bangsa Moro State" but were forced to settle for thirteen, eight of the thirteen had Christian majorities. The principles agreed to follow closely the MNLF's demands (which in turn were scarcely distinguishable from the "agenda" of the Islamic Conference's Committee of Four). The ceasefire benefited the MNLF by allowing the "Bangsa Moro Army" forces to recoup and regroup, whatever the outcome of the negotiations to work out final details.

The gains for the MNLF, however, did not necessarily represent losses for Marcos. Philippine armed forces also badly needed a cease-fire; Marcos needed to establish a reputation as a statesman with leaders of Islamic states; and the Philippine government had provided itself a safeguard by insisting on the inclusion of a clause in the preliminary agreement that it would take "all necessary constitutional processes for the implementation of the entire Agreement."⁷ According to Philippine documents, it was understood by all parties that "constitutional processes" included a referendum ("to determine various questions including the administrative nature of the government") and elections for public officials.⁸ Marcos announced immediately after the preliminary agreement was signed that a plebiscite was "under study," then announced on February 11, 1977, that a referendum would be held on February 21 to get the consent of the people in the thirteen provinces to the territorial scope of the "autonomy"; on February 16 the referendum was postponed until March 17; on March 16 it was postponed until April 17.

Meanwhile, the Tripoli talks had reconvened and deadlocked. The Muslim version of the deadlock was that after the MNLF and the Philippine government had presented their positions, the conference

chairman suggested an adjournment for each side to work out a compromise; the MNLF was prepared to do so, the Philippine panel was not.⁹ The Philippine government charged that the MNLF was reverting to earlier demands for a separate state and insisted on a referendum, which the MNLF considered unnecessary.¹⁰ Finally Imelda Marcos flew to Tripoli again to work out another compromise. Her efforts produced an exchange of cables between Kadafi and Marcos on March 18–19: Marcos would declare an autonomous region of thirteen provinces and appoint a provisional government, which would then hold a referendum on administrative details.¹¹ On March 26 Marcos proclaimed the creation of the autonomous region; then he announced that he had invited Nur Misuari, chairman of the MNLF's "central committee," to head a provisional government composed of fifteen MNLF members, thirteen provincial governors, and regional commissioner Simeon Datumanong.

The MNLF members did not appear, so in response to public clamor aroused by the "leak" of the MNLF's position paper prepared for the February talks in Tripoli (the MNLF had identified the points as negotiable), the "official" members of the new provisional government endorsed a new set of questions for the referendum. The "territorial" questions earlier proposed were kept. Voters in the three provinces not currently in either of the regions with heavy Muslim populations were given the opportunity of opting out of any association with the "Autonomy for the Muslims," and voters in Regions IX and XII were allowed to express their preference for maintaining two "autonomous" regions rather than the one Marcos had just proclaimed. To these questions were added others allowing voters to express their opinions on provisions in the MNLF's position paper, which had been prepared as a draft of a presidential decree.¹²

Not surprisingly, Kadafi, the Islamic Conference's secretary general, and Misuari protested that both the questions and the procedures were incompatible with the earlier agreements. Kadafi suggested an alternative set of questions, which reflected his understanding of the provision regarding a referendum in the March 18–19 cable exchange: the referendum was to be "concerning the administrative agreements within the areas of the autonomy . . . and this means that the people be asked how to organize themselves. Administratively within the areas of the autonomy [*sic*]."¹³ Kadafi's four questions dealt only with the nature of internal, subordinate structures within the "autonomy" that had been defined territorially at Tripoli and subsequently proclaimed by Marcos. Amadou Karim Gaye, Secretary General of the Islamic Conference, and Nur Misuari endorsed Kadafi's proposal.¹⁴

Marcos replied that the territorial questions already printed on the ballots reflected the "substance and intent" of Kadafi's questions. He claimed that the other questions regarding MNLF "proposals" or "demands" (Marcos used the words in consecutive sentences, as if they were synonymous) had been added in response to petitions from "the people of the area of the autonomy." All the questions had been circu-

lated and discussed, and diplomatic observers and foreign correspondents were already prepared to witness the referendum. Hence it would be "embarrassing," Marcos argued, either to change the questions or to postpone the referendum.¹⁵

The referendum was accordingly held, as scheduled. An overwhelming majority of those voting rejected the merger of the thirteen provinces into one region and the other proposals from the MNLF draft, and approved a proposal that the administration of the "autonomy" be under the general supervision and control of the Philippine government. Representatives from the Islamic Conference, the MNLF, and the Philippine government met in Manila in an attempt at saving the negotiations; talks ended at the end of April, with mutual recriminations.

Soon thereafter the Islamic foreign ministers met in Tripoli. Kadafi's role made it obvious that his interests had shifted, and the conference's final statement contained little more than a complaint about Philippine actions and a call to good behavior.¹⁶ Thereafter Marcos rejected not only the terms but apparently also the mediatory role of the Islamic Conference. The problem was internal, the Philippine government insisted, and should be settled among Filipinos negotiating within the Philippines.

Despite the breakdown of negotiations, ceasefire arrangements remained in effect until October 1977 when the Philippine military resumed full-scale activities in the aftermath of the killing of a brigadier general and 34 of his men by an MNLF unit in Sulu (soldiers had recently killed members of the MNLF commander's family). Meanwhile other Muslims began to challenge both Misuari's leadership of the MNLF and the MNLF's representativeness of Philippine Muslims, and in the process gave the Marcos government additional reasons to stall on negotiations.¹⁷

It is important to try to identify what went wrong. The easiest explanation is that neither side was sufficiently interested in a settlement to make the compromises necessary to secure one; neither side was convinced that it would lose more by the resumption of fighting than it would lose in a settlement. That explanation seems essentially correct, but more can be said.

Interviews and the public record suggest that Marcos probably assumed in December 1976 and January 1977 that he would have a referendum that would allow three provinces to opt out of the new "Autonomy for the Muslims" agreed to at Tripoli. The three had not been included in the two southern regions established in 1975, at a time when Marcos was demonstrating he would respond to MNLF demands for autonomy. The Philippine government had opposed their inclusion in the Tripoli list, presumably not only because of their Christian majorities but also because of their economic resources.

The Philippine government had also opposed the creation of a single "autonomy" and had argued for the continuation of the two existing regions. This issue, too, could be submitted to the voters. Then,

the government apparently assumed, it could define (or reaffirm) a form of autonomy that would be a pattern for administrative decentralization it was already considering for the entire country, but with special provisions to conciliate Muslims.

The resumption of talks in Tripoli made it obvious, however, that the MNLF was unlikely to settle for the form of autonomy or the role for their leadership that the Marcos regime had in mind. Hence one of the Philippine delegates to the talks, with or without Marcos' permission (there is a rumor that Marcos was furious at the action), "leaked" the MNLF paper in the Philippines, where it was promptly distributed by officials and the press.¹⁸ The regime then decided to change the nature of the questions, taking advantage of "outraged" public opinion to get a basis for refusing to make any concessions and hence for deadlocking the talks. Filipinos, the line went, would not bow to foreign pressure to accede to demands amounting to the "dismemberment" of their country.¹⁹

While the regime's record in regard to expressions of public outrage gives grounds for skepticism, there was undoubtedly opposition both to the original December agreement and to the draft decree circulated in March and April. The leadership of the Philippine Armed Forces reportedly was solidly opposed to any compromise. There is no reason to doubt that the Christians who dominated the area numerically, economically, and politically were also opposed to a shift of power to Muslims, and specifically to the MNLF, and voted accordingly in the April 14 referendum. Muslim opinion was divided: the established Muslim leadership had no reason to oppose it; MNLF adherents supported the agreements; most others had no way to express opinions, if they felt any desire to do so.

Moreover, the refusal of the Islamic foreign ministers to recommend oil sanctions against the Philippines or military support for the MNLF made it clear that the Philippines could expect the Islamic Conference to take a stronger stand on behalf of the MNLF during negotiations than at any other time. Thus, after the foreign ministers' meeting in May, the Philippines had little incentive to negotiate.

The MNLF, meanwhile, was also hardening its position. As Marcos resorted to a referendum to divide and weaken (geographically and politically) the "autonomy" agreed to in December, the MNLF sought to institutionalize its role in a post-settlement South and to define further, and more rigorously, its notion of autonomy. If in the original Tripoli negotiations it had demanded (and received) more territorially than current Muslim/Christian population ratios would have justified, in the subsequent negotiations it demanded a greater role for itself and more powers for the "autonomy" than its mass base or support among Muslims, let alone Christians, would have justified.

Its positions on both geographical and political issues were backed by logic. Christian migration had forced Muslims out of, or into minority status in, lands that were historically theirs; Muslims hence had a claim to the territory. The MNLF needed to institutionalize its role

precisely because it could not assume majority support for its Muslim/reformist goals. "Autonomy" needed to be defined rigorously because the Philippines had an historical tradition of strong centralization, which had reached an extreme form under the Marcos regime.

But the very factors that made its positions logical also made them unrealistic. Without majority support in the "autonomy," as defined in Tripoli, the MNLF was forced to rely on Marcos to agree to and help implement an arrangement that was contradictory to the essence of his regime. Simply, its leaders had to trust him to give them governing powers because they did not trust him to govern them. They were equally dependent on the Islamic Conference, which, it became increasingly clear, was not willing to punish Marcos with oil (or other) sanctions for reneging on any agreements he had made, and hence was not able to force him to make a final settlement.²⁰ The Tripoli Agreement, which in December 1976 appeared to demonstrate the strength of the MNLF, in the end revealed some of its weaknesses.

The cease-fire, however, suggested that the Front maintained considerable authority in the field. Violations occurred frequently between January and October and were carefully chronicled in MNLF documents and in a government "white paper."²¹ Yet their occurrence and the ultimate breakdown of the cease-fire months after negotiations had ceased seem much less remarkable than the fact that the cease-fire was as effective as it was for as long as it was, given the looseness and incompleteness of the Front's structure.

Continuing Stalemate, 1980-1981

Since the breakdown of negotiations and of the cease-fire in 1977, "government" in the southern Philippines has been provided by the three parallel structures. The first is an "official" government structure, dominated by civilians; divided into regional, provincial, and local levels; and integrated into national structures by elections, representation in parties and planning bodies, and implementation of programs. The second structure is the Philippines Armed Forces, divided into two commands containing in total about three-quarters of the country's military manpower. The third structure, rudimentary but dominant in certain areas and/or for certain functions, consists of a number of armed bands, some affiliated with the MNLF or with factional groups linked loosely with the MNLF and some assuming whatever identity or allegiance best legitimizes their schemes for extortion.

"Official" Government Structure: Each of the two regional governments, located in Cotabato City and Zamboanga City, has a legislative assembly, an executive council, and a bureaucracy. The Philippine position paper presented at the Tripoli negotiations argued as a reason for their existence:

Two regional legislative assemblies and two executive councils (one per region) will enable more Muslims to participate in the administration of

government affairs and train them in leadership. Leadership and administrative skills are what most of the Muslim Youth need now.²²

To the extent that participation and employment are ends in themselves, the regional governments have functioned well. Perhaps it can be argued that they have provided training appropriate for participation in the kinds of legislative and administrative bodies that exist at the national level. But there is little indication that they produce or administer effectively the kinds of programs one might expect from autonomous governments sensitive and responsive to local conditions.

In Region IX, the major opposition to the government's party, the KBL, has been led by Cesar Climaco, of Zamboanga City. The opposition announced that it would not field candidates in the May 7, 1979 polls to elect representatives to the regional assembly and asked Marcos to use the five million pesos that the election would cost for development projects. In Region XII, the KBL, another opposition party, and self-identified MNLF candidates (who were disavowed by MNLF spokesmen) decided to merge into one party and allow Marcos to choose the candidates for its regional assembly.²³ The election was significant, according to the government, because it implemented the Tripoli Agreement.

Coverage in the *Mindanao Cross*, Cotabato's newspaper, suggests post-election operating procedures in Region XII's Assembly. Abul Khayr Alonto, who had formally "returned to the fold of the law" in March 1978, was elected Speaker of the Assembly, though he was absent. The reason for his absence was allegedly that Ali Dimaporo (governor of Lanao del Sur and an implacable foe of the Alonto family), Admiral Romulo Espaldon, and others had blocked the appointment he expected, to be Chairman of the Executive Council. Since his absence was prolonged, Mario Badelles was chosen Speaker Pro-tem. Badelles, however, left for abroad. Alonto then flew in to attend one day of the Assembly session, during which he designated John Hofer as presiding officer, and returned to Manila to "attend to the people's needs" by providing escort service for two deputy ministers from Yemen.²⁴

On April 19, 1980, the *Mindanao Cross* reported that when "Commander Ronnie," an MNLF leader, rejoined the government, President Marcos had ordered the organization of regional security forces in Regions IX and XII. He intended, according to the story, to have army units confined to their barracks unless the regional forces needed help. On May 3, the *Cross* reported that Amelil Malaquiok (alias "Commander Ronnie"), after discussions with area military commanders, had introduced a proposal for a Regional Security Force of Philippine Constabulary units, Civilian Home Defense Forces, returnees, and MNLF members with the government, a total of about 15,000 men. On May 17, a final article said that two Assembly men felt that the proposal had not been properly debated before being submitted to Marcos. Since the sequence of news articles suggests that Marcos had already made his decision before the proposal was introduced, their concern over the adequacy of subsequent debate seems misplaced.

Government at the provincial and local levels seems solidly grounded in the patron-client linkages characteristic of traditional Philippine politics. In Lanao del Sur, for example, Governor Ali Dimaporo, who has close ties with Marcos, has cemented relationships with his former enemy, Governor Arsenio Quibranza of Lanao del Norte, by arranging a marriage between two of their children. When he needed more votes in the last election, he arranged a marriage between one of his sons (he has about 15 children) and a daughter of former Vice-Governor Abdul Marohombsar. As a part of the deal, Dimaporo agreed to pay a bride-price of 250,000 pesos, secure Marohombsar's appointment to the Regional Assembly, and arrange an amnesty for his nephew, Jalondoni, the leader of the group that kidnapped American missionary Lloyd Van Vactor in March 1979. Another participant in the kidnapping, who lacked such connections, was killed by his Philippine Constabulary escorts "while attempting to escape."²⁵ Dimaporo also controls, directly or indirectly, all public hiring in the province, including that done at Mindanao State University, where he continues to be Acting President.

There are, of course, honest and competent public officials throughout the South. They do not appear to be part of a system that encourages or rewards those characteristics.

The Military: Information about the military is more scarce. Much of the Southern Philippines looks like occupied territory. Military personnel are omnipresent, though efforts have been made to withdraw them to less populated areas and hence reduce their visibility. Sentries patrol all roads, and military authorities grant or refuse travel passes into particular areas. Rivalry among military units seems to have decreased, and efforts to reduce particularly blatant forms of indiscipline apparently have had some success (Saturday night shootouts between drunken military police and constabulary units seem less frequent). The behavior of Civilian Home Defense Force units has been more difficult to control, at least partially because entry into their ranks has frequently been one of the rehabilitation measures offered to self-identified rebels.

Thus the military constitutes, in some areas, a law unto itself. Its power is based on its control of weaponry. Its use of that power is limited by the decisions of its commanders (which are in turn limited—to a degree—by Marcos' wishes) and by a far from perfect system of discipline.

Muslim Forces: The armed bands constituting the third "governing" structure in the Muslim areas vary in geographical and ethnic base, affiliation, ideology, strength, and tactics. Lindy Washburn has identified five major groups in the Lanao (Maranao) area.²⁶ Most of those fighting with Abul Khayr Alonto's "Northern Mindanao Revolutionary Command" have apparently surrendered. They identified themselves

as part of the "Bangsa Moro Army" and the MNLF, though Alonto's status with the MNLF had been severely affected by his decision to run for Vice-Mayor of Marawi in 1971 and his brief "defection" in January 1977. A second group, led by Jamil (or Diamel) Lucman, has also surrendered. Jamil, the nephew of Rashid Lucman (whose wife is the aunt of Abul Khayr Alonto), had been identified as "Field Commander of the Bangsa Moro Liberation Organization," a conservative Jidda-based rival to the MNLF that emerged in mid-1977 under the leadership of Rashid, Salipada Pendatun, and Macapanton Abbas, Jr. There were reports in August 1980, about the time that Jamil surrendered, that the BMLO had been expelled from Saudi Arabia. These reports proved false, but soon thereafter Salipada Pendatun returned to the Philippines. In May 1981 Rashid Lucman agreed to accept Misuari's leadership in the MNLF.²⁷ Thus the BMLO seems to have ceased to exist as an independent organization, though the personalistic linkages on which it was based undoubtedly remain.

The third group, led by Jack Dimas, has been consistently identified with the reformist ideology of the MNLF. Dimas, according to some accounts, has been made Vice-Chairman of the Front's Central Committee and has remained outside the country since late 1978. In contrast, the "alim's group" has not been linked with the MNLF. Led by Middle-Eastern trained religious teachers, they have been identified with Hashim Salamat, a Maguindanaon who was part of the MNLF's Central Committee until he broke with Misuari in late 1977, allegedly over Misuari's "radicalism." Members of the "alim's group" were responsible for the September 1980 burning of the United Church of Christ chapel in Marawi, presumably to enhance Salamat's prominence at a time when negotiations were to be resumed. The action was counter-productive, since *ulama* in the area joined in denouncing the burning as contrary to the Qur'an, and hence un-Islamic.

Finally, the "Partisan Elite Brigade" has been responsible for a series of kidnappings, including that of Lloyd Van Vactor, and for other extortion attempts. While they claim identification with the MNLF, they have been repudiated by both Jack Dimas and Jamil Lucman.

In the Cotabato area, the structure seems somewhat simpler.²⁸ There have been three main groups identified together as the Kutawato Revolutionary Committee and affiliated with the MNLF. Hashim Salamat's Maguindanaon ties and his more traditional religious orientation constituted a strong pull, however; there may also have been some resentment of the arms distribution policies attributed to Misuari's leadership of the MNLF. In any event, the pro-Salamat political commander of the KRC, "Ronnie," decided to join the government, denying that he was "surrendering" in doing so. The two other KRC commanders, Commander Ali Morad (Ahod Ibrahim) and Ibrahim Sema, remain in the field; the division between them is geographic, not ideological, though Sema is more strongly identified with Misuari. Another group, referred to as the "lost command," is made up

of defected military personnel. The MNLF has generally disavowed any association with it.

Besides these groups, a loosely knit organization of Protestants, Catholics, and Muslims affiliated with the radical National Democratic Front is based in Cotabato. Some of its members purportedly are responsible for the publishing of the newsletter *Moro* and of the pamphlet *Two Hills of the Same Land*, the latter under the pseudonym of Rad D. Silva. Both publications advocate a class- rather than a religion-based analysis of the Muslim problem; *Moro* opposed the Tripoli Agreement.

Scanty information suggests that the MNLF's base is more solid in the Zamboanga, Basilan, Sulu, and Tawi Tawi areas. Misuari's background is Tausug and Samal; most of the current MNLF leadership is said to be Tausug. These factors undoubtedly bolster the MNLF's appeal in this area, though reputedly Misuari's "low birth" is a handicap. Most accounts of "mass-owned" plantations and schools originate from here. The MNLF's headquarters are located near Zamboanga City, and Misuari made a brief visit in March 1980. Access to Sabah, which apparently remains a source of weapons and other supplies as well as a refuge, is easy. The *Bangsa Moro News* is mailed from Sandakan.

The coexistence of rival structures of "government" results in a situation most accurately described as anarchy. Violence is endemic, though its incidence and form vary. Tension rises and falls with particular circumstances. It was particularly high in the Iligan-Marawi area during summer 1980, following the grenade incidents in Ozamis and Iligan in March. Muslims in Marawi believed reports that Christians in Iligan were murdering Muslims there. Hence some Muslims commandeered a public vehicle, killed all four Christian males aboard, badly wounded an eighteen-year-old Christian girl, and spared only her twelve-year-old sister. Kidnapping threats against both foreigners and Filipino Christians were constant. In Cotabato City, in contrast, tension seemed low after the surrender of "Commander Ronnie," though there was considerable resentment of the "bounty" given by the government to "Ronnie" and his followers. Zamboanga City resembled Cotabato, both in the comparatively low level of tension and in the resentment of government dispensations to Muslim defectors.

Subsequently, however, there have been grenade incidents in both Cotabato and Zamboanga. In no case have the perpetrators been firmly identified. After the incident in Ozamis in March 1980, the government announced the capture of an MNLF "operative" who allegedly identified other MNLF personnel involved in the explosions. Efforts by Maranao researchers to corroborate the names in the barrios from which they were listed were unproductive. One last name was recognized; it belonged to someone who had been killed months earlier. Apparently, then, the story was fabricated—a conclusion also reached by U.S. government sources. Certainly MNLF spokesmen denied any responsibility for the bombings, or any strategy of urban guerilla actions except those directed specifically at military personnel. Specula-

tion about those responsible for the Cotabato and Zamboanga incidents ranges from the military (who are also suspected in the March bombings) to the "lost command(s)," the NPA, the MNLF, and the April 6 Liberation Movement. Under the prevailing circumstances, however, all such incidents exacerbate Muslim-Christian relations.

Restrictions on travel make it difficult to know what is happening outside the cities, particularly in Basilan, Sulu, and Tawi Tawi. MNLF newsletters report constant skirmishes throughout the area, ranging from full-scale offensives (e.g., in Zamboanga del Sur and Norte in May-June 1980) to isolated encounters. Casualties are equally difficult to calculate. According to MNLF figures, approximately 750 soldiers or "renegades" (MNLF defectors) were killed, 73 "mujahideen" were "martyred," and 249 civilians were "slaughtered" in the last six months of 1980.²⁹ One of the worst incidents of the war occurred in Pata Island, off Jolo, in early 1981. Accounts vary, but it seems established that MNLF guerillas killed over 100 (119, by "official" figures) government soldiers in retaliation for a military rampage that involved raping Muslim women, desecrating mosques, and strafing houses. Other military units then counterattacked. Estimates of civilian deaths range from 400 (the constabulary commander's minimum) to 750 (from a "well-informed government source") to 2000 (based on refugees' statements).³⁰

Efforts at resuming negotiations have been unproductive, despite vigorous efforts by Islamic Conference officials. In March 1980 the Philippine government issued a "primer" in which it described the Tripoli Agreement as having "lapsed or expired" because of the "intransigence of the MNLF." It also denied that the MNLF was the legitimate representative of Muslims in the southern Philippines.³¹ Misuari responded by saying the MNLF would no longer agree to any negotiations based on autonomy and would return to its original goal of independence.³² Misuari's new position was not upheld by the foreign ministers' conference, which met in May in Islamabad, but the foreign ministers did condemn the Philippine government for shirking its responsibilities to implement the Tripoli Agreement, which they affirmed as the basis for solving the problem. They also urged the member states to exert "appropriate economic, social and political pressures" on the Philippines and to continue to grant material assistance to the MNLF.³³

Given these stances, it is not surprising that scheduled negotiations were postponed three times in 1980. Differences in objectives were accompanied by differences over who should attend and where negotiations should be held. At one stage the Philippines said that there should be no preconditions and all sessions should be kept secret. Later the Philippines insisted that the sessions be held in Jakarta rather than Kuala Lumpur, that participants represent a variety of Filipino Muslim groups or positions, and that no outsiders (i.e., no one from the Islamic Conference) could attend. The MNLF was unenthusiastic about shifting to Jakarta but agreed, and apparently also agreed to the inclusion of

some Muslim "renegades" on the government panel, but was adamant that representatives from the Islamic Conference participate. According to MNLF sources, Secretary General Habib Chatti, who had been working on behalf of the Islamic Conference to arrange the talks, was infuriated by Marcos' shift and pledged his support for Misuari's goal of independence.³⁴ Marcos' announcement of the end of martial law brought no change in the situation, particularly since the writ of habeas corpus remained suspended in the "troubled areas" of the South.

Conclusion

A break in the stalemate can conceivably come in one of four ways. If the MNLF is able to reconstruct itself in ways allowing it to overcome some of its more obvious problems—lack of consensus on goals; weakness in grassroots organizing capacity; continuing strains among Maranao, Maguindanaoan, Tausug, and Samal units; dependence on a foreign-based leadership and foreign sources of support—then it may be able to expand its military operations and force the Philippine government to agree to an acceptable compromise settlement. There are signs that some of these things are happening. Recent announcements of a rapprochement between Misuari and Lucman state that the MNLF is willing to resume negotiations on the basis of the Tripoli Agreements—which is to say that the MNLF has once again renounced secession as a goal.

Changes in the Manila government might also open new possibilities, but these do not seem likely to be forthcoming under a regime dominated by Marcos. The regime has developed a pattern of devising new governmental structures and programs into which Muslims are co-opted but which also foment resentment and cynicism because they are neither planned carefully nor implemented consistently. Imelda Marcos' appointment as head of the Southern Philippines Development Authority (SPDA) may have been intended to indicate the priority to be given to economic changes in the South. That priority has not been apparent in action, nor is there reason to think that policies developed under her leadership would meet the needs of most Muslims, or Christians, in the areas. The SPDA once commissioned a two-million peso study of Philippine Muslims to serve as a basis for development planning, as well as a detailed study of implementation problems with earlier projects. Both studies have now been stopped; completed work is to be sold to anyone interested. The government has apparently decided it knows all it wants to know.

Mrs. Marcos did, however, invite SPDA members, including Muslims, to Leyte to celebrate her birthday. Souvenirs included a small statue of the Santa Niño (clad in red velvet), a medallion, and a pin, all engraved with "Ferdinand Romualdez Marcos II." Christians might have their own reasons for reacting negatively. To Muslims, such "gifts" could hardly demonstrate sensitivity to religious differences.

The Marcoses have also made efforts to cultivate Muslim leaders

internationally. By their own accounts, they have been successful. Certainly they have been less criticized than they might have been. Here, too, however, there have been problems. Malacanang invited a group of visiting Muslim officials to lunch during Ramadhan. Marcos' speech to an Islamic conference in Manila was elaborately reproduced in a pamphlet, which lauded "the plight of the prophet Mohammed from prosecution in Medina." Such mistakes do not go unnoticed, no matter how well-intended the gesture.

According to former Senator Benigno Aquino, he was asked by Deputy Minister of Defense Carmelo Barbero to talk with Misuari and Lucman during a visit to Saudi Arabia, in order to assess the possibilities of resuming negotiations. After Aquino's efforts produced a statement on the terms for resuming negotiations, Marcos denounced him for forging relationships with Misuari and Lucman that would result in a "Cambodian-type holocaust."³⁵ Then, just before the June 1981 presidential election, the Philippine government announced the discovery of an assassination plot against Marcos and other government officials and the arrests of many involved. According to the government account, "Operation June Bride" was planned jointly by Aquino and the MNLF, with the intention of disrupting the elections.³⁶ Later information, from other sources, confirmed the involvement of Muslims in a plot, but identified the instigators as Maranao Muslims who were arrested in late 1979 for demonstrating outside the U.S. Embassy in support of Khomeini. While they had contacts within the MNLF, and at least one Maranao affiliated with the MNLF was belatedly included in the plans, the MNLF's role was peripheral at most, and Aquino was apparently totally uninvolved. Hence, the government's handling of the case seemed primarily indicative of its desire to discredit two visible sources of opposition before the election, but also reflective of its continuing lack of interest in negotiations.³⁷

If the Marcos government is destabilized by either a coup or a revolution, Muslims might cooperate to assert their right to self-determination and ultimately to establish an autonomous government, in or out of the Philippines. Their capability for doing so depends not only on their success in unifying themselves and on their willingness and ability to build alliances with non-Muslims, but also on the receptivity of other opposition groups. The platform of the National Democratic Front includes support for Muslim self-determination, and there has been some local cooperation between MNLF and New People's Army groups. Before the United Democratic Opposition (UNIDO) decided to boycott the June presidential election, there was talk of including in the UNIDO candidate's platform a proposal that the two existing southern regions be reorganized to include only provinces with Muslim majorities and then to grant them genuine autonomy.³⁸ After the election there was a report that opposition leader José Laurel had left the Philippines for a meeting with Aquino and Misuari.³⁹ Aquino has obviously been working to consolidate relationships with Misuari and with Saudi Arabian officials, whom he hopes to involve in

negotiating a settlement.⁴⁰ Aquino's objectives remain unclear, so it is difficult to assess the validity of Marcos' reactions.

A final factor is support from outside. As suggested earlier, aside from early support from Kadafi and Tun Mustapha, assistance from Islamic states has come primarily in the form of efforts to facilitate a negotiated settlement and criticisms of Philippine policies. Iran has imposed an oil boycott, and Iranians in the Philippines have tried to mobilize Filipino Muslims in support of their own revolutionary goals. Their success has been limited. Some Filipino Muslims who participated in at least one protest march against the U.S. Embassy were reportedly paid for their services; others were intent on advancing their own political prominence. A library stocking anti-American literature in Cotabato City quickly reverted to a feed storage area after the Iranian who established it was deported; his student visa had expired. Piles of anti-American propaganda rotted on the docks in Zamboanga. "We do not pray with them," was the Tausug explanation to an American researcher, who assumed she was being told that Sunni Muslims had no reason to heed the words of Shiites.⁴¹

Saudi Arabia also imposed a brief oil boycott in late 1980. The reasons were never clear, and the contract was soon renewed. Most foreign Muslims in the Philippines—aside from Iranian students, who are divided in their political allegiance—are teachers from Egypt and Saudi Arabia, and appear to be reformist in their religious attitudes but politically conservative.

In an effort to increase support from the radical Islamic states, the rhetoric of MNLF spokesman has, in particular forums, become more strident. Speeches to the foreign ministers' conferences have remained comparatively moderate, though at the May 1980 session Misuari clearly placed "Moro" nationalism—which he defined in terms of Islam, historical experiences, and territory—in the context of the right to national self-determination. Even this muted argument is unlikely to win support, though Philippine definitions of "autonomy" have already been rejected as inadequate. The Islamic Conference will protest the maltreatment of Philippine Muslims; it will facilitate their efforts to reach a just settlement; it will not promote a victory for radical Islamic separatists. Thus the stalemate seems likely to continue.

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NOTES

1. For a good compilation of the literature, see Alfredo T. Tiamson and Rosalinda N. Cañeda (eds.), *The Southern Philippines Issue, Readings in the Mindanao Problem*, Vol. I (Marawi City: Southern Philippines Center for Peace Studies, Mindanao State University, 1979).

2. R. Joel Jalal-ud-din De los Santos, "Towards a Solution of the Moro Problem," *Southeast Asian Affairs 1978* (Institute of Southeast Asian Studies, University of Singapore), p. 211.

3. The original five, according to one account, were Nur Misuari, Abul Khayr Alonto, Indar Tampi, Amelil Malaquiok ("Commander Ronnie"), and someone from Zamboanga—two Tausug/Samal, two Maranao, and one Maguindanaoan. Interview, Marawi City, July 1980. Jamil Lucman identified ten founders and their current status (*Bulletin Today*, September 4, 1980): Jamil Lucman (joined government); Nur Misuari (at large); Abul Khayr Alonto (joined government); Amalil Malaquiok (joined government); Al Bandaing (joined government); Sali Wali (joined government); Utu Salajuddin (killed); Ali Boon (killed); Abdul Manan (killed); and Akman Inampala (killed). T. S. J. George has still another version; see, for example, *Revolt in Mindanao* (Kuala Lumpur: Oxford University Press, 1980), pp. 117–230.

4. De los Santos, "Towards a Solution," p. 212.

5. The text is included in *The Southwestern Philippines Question (SWPQ)*, 2nd ed. (issued by the Department of Foreign Affairs, Republic of the Philippines, 1977), pp. 48–50. For a full account of activities of the Islamic Conference, see Astri Suhrke and Lela Garner Noble (eds.), *Ethnic Conflict in International Relations* (New York: Praeger Publishers, 1977), pp. 185–189.

6. For the text see *SWPQ*, pp. 76–82.

7. *SWPQ*, p. 81.

8. *SWPQ*, pp. 17–18.

9. This account is based on interviews in the Philippines. MNLF and Islamic Conference participants in the talks have been much more circumspect about publishing accounts of presumably "secret" talks than the Philippine government. *Mahardika*, "the official organ of the Moro National Liberation Front" (published in Tripoli), provides some information about positions taken. There are also reports prepared by the Islamic Conference's secretary-general and the Quadripartite Commission for the annual meetings of foreign ministers, but these are very difficult to obtain.

10. *SWPQ*, pp. 19–20.

11. *SWPQ*, pp. 95–98.

12. One version of the question (some questions varied in different areas) and returns is included in *SWPQ*, pp. 145–147. The text of the MNLF draft is on pp. 148–165. The heading "MNLF draft demand" was added by the editors of the book.

13. *SWPQ*, p. 95.

14. *SWPQ*, pp. 140–142.

15. *SWPQ*, pp. 138–139.

16. *FBIS Daily Report: Middle East and North Africa*, May 17, 1977, from ARNA (the Libyan News Agency), and *Far Eastern Economic Review*, June 3, 1977.

17. For a brief summary of the factionalism that developed, see Lela Noble, "The Philippines: Muslims Fight for an Independent State," *Southeast Asia Chronicle*, October 1980, pp. 16–17.

18. Marcos claimed that the MNLF "demands" were transmitted and circulated by "persons not in the government"; c.f., his reply to Kadafi, April 14, 1977, *SWPQ*, p. 138. Manila sources deny this claim.

19. Manila papers in March–April 1977 reported both expressions of "public opinion" and the regime's responses.

20. We have no Islamic Conference or MNLF statements to compare with the Philippine interpretation of the provision in the Tripoli Accord which says that, "the Government of the Philippines shall take all constitutional processes for the implementation of the entire Agreement." It seems unlikely, however, that either the MNLF or the Islamic Conference's representatives would have accepted a provision which they understand as allowing an agreement to be "implemented" by being rejected or fundamentally modified. Certainly, both Kadafi's statements and normal usage of the English language suggest that Marcos' subsequent actions were inconsistent with the "agreement" reached in the March 18–19 exchange of cables.

21. The Philippine government (Southern Philippines Research and Information Group) published a "White Paper on Ceasefire Violations and Terrorist Atrocities in Southwestern Mindanao and Sulu, 29 October 1977." The MNLF's documents were less formal.

22. *SWPQ*, p. 85.

23. *Bulletin Today*, April 11, 1979.

24. *Mindanao Cross*, May 10, 1980.
25. *Times Journal*, July 19, 1980.
26. Lindy Washburn, "Muslim Resistance With or Without the Elite," *Southeast Asia Chronicle*, October 1980, pp. 18-24. *IQRA*, the original MNLF newsletter in Northern Mindanao, has now been replaced by the *Ranao Tribune*, "the official monthly organ of the Ranao Revolutionary Committee, MNLF."
27. *Philippine News* (San Francisco), May 20-26, 1981.
28. This account is based on interviews in Cotabato City, July 1980, and on newspaper accounts. The KRC publishes a newsletter called *Tantawan*.
29. These numbers are calculated from reports in the *Bangsa Moro News*. The *Far Eastern Economic Review* (January 30, 1981) uses a figure of 10,000 AFP personnel killed since 1972. The total number killed is estimated at 60,000.
30. Richard Vokey, in *Far Eastern Economic Review*, May 8, 1981.
31. *Regional Autonomous Governments, Southern Philippines*, issued by Manuel Colantes as Chairman, Cooperation for Southern Philippines, p. 8.
32. *Mahardika*, April 1980. The speech to the "International Conference on Prophet Mohammed and His Message," London, April 12-15, 1980, was reprinted in subsequent issues of *Mahardika*.
33. Resolution No. 22/11-P on the Question of the Muslims in Southern Philippines, Islamic Conference of Foreign Ministers, May 17-21, 1980.
34. *Bangsa Moro News*, December 1-15, 1980, p. 2. There is no evidence that Chatti has fulfilled the alleged pledge.
35. *Philippine News*, May 20-36, 1981.
36. *FBIS*, June 9 and 15, 1981.
37. Personal correspondence, August 1981.
38. Vokey, *FEER*, May 8, 1981, p. 40.
39. *FBIS*, June 18, 1981.
40. *Philippine News*, July 15-21, 1981.
41. The information on Iranian involvement is based on interviews in Manila, Marawi, Cotabato, and Zamboanga, July 1980. The American researcher is Ruth Moore.

BANGLADESH-INDIA RELATIONS: ISSUES AND PROBLEMS

Ishtiaq Hossain*

BECAUSE BANGLADESH is historically and geographically close to its big neighbor India, the "India factor" is an important variable in the making of foreign policy. Bangladesh governmental leaders, from Sheikh Mujibur Rahman to Lt. General Ziaur Rahman, have never failed to emphasize the maintainance of friendly relations with India. The Indians, too, have time and again expressed similar sentiments.

Unfortunately, the history of Indo-Bangladesh relations since 1971 presents a dismal picture. A number of issues have not only clouded their relationships but have also led to the exchange of fire between the two countries' border security forces over disputed territory. Indo-Bangladesh relations began a downward slump in March 1972 when grumblings were heard among political circles in Bangladesh over the just-concluded Indo-Bangladesh Trade Pact.

As the decade of the 1970s rolled on, more issues—e.g., the dispute over the maritime belt, Indian support for the pro-Mujib guerrillas, the sharing of Ganges waters, and disputes over the Muhurir Char (an islet on the river Muhuri, the boundary between Bangladesh and the Indian state of Tripura) and Purbasha island in the Bay of Bengal—have seriously undermined friendly relations between India and Bangladesh. This article aims at an examination of those issues, and analyzes the positions taken by both countries on these problems.

Social and Economic Issues

Perhaps Indo-Bangladesh relations best exemplify the importance of social and economic issues in the relations among nations and the serious effect that disputes in these fields can have on other aspects of

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any dyad. In scarcely more than a year after gaining its independence, Bangladesh had developed a sense of dependence on India. Increasingly the Bengalis began to show resentment against what was termed "Indian exploitation," and the list of complaints against India was fairly long.¹

At the time Pakistani forces surrendered, the Indians captured huge quantities of arms and ammunition. It was alleged in Bangladesh, mostly by army officers and university students, that many of the arms were transported to India under Indian army supervision. From a strictly legal point of view, Bangladesh's demand for a share in the captured arms was just. A joint command composed of Indian and Bangladesh forces had been set up on December 6, 1971, and though arms were mostly captured by or surrendered to the Indian forces, they were technically in the possession of the joint command. Therefore, Bangladesh had legitimate claims to some of those arms.

Complaints are often aired in Bangladesh that India imposed on it the Friendship Treaty of 1972. However, sources close to Sheikh Mujibur Rahman suggest an entirely different story. Rather than being pressured, Sheikh was the one who approached Mrs. Indira Gandhi on such a treaty, and on his insistence, the Friendship Treaty was signed during the Indian Prime Minister's first visit to Bangladesh.² Mujib's insistence on signing the treaty may be explained in two ways. First, Mujib wanted to show by signing the treaty that Bangladesh was truly sovereign and independent. He believed that the act of signing a treaty would demonstrate that Bangladesh was capable of managing its own affairs and making decisions on its own. Second, it is argued by many in Bangladesh that Mujib may have wanted Indian support in any future political upheavals in his country. Article 9 of the Indo-Bangladesh Friendship Treaty provides for mutual consultations between the two signatories in order to remove a threat if either of them is attacked. It is interesting to note that the clause does not limit this to an "external attack." Therefore, it is argued that this "attack" could also apply to an attempt to capture power in Bangladesh by any quarter hostile to India, using means other than political. In this scenario, the treaty could be invoked and Indian troops invited into Bangladesh. In fact, during the army coups and counter coups of November 3-7, 1975, there were reports of Indian troop movements along the Bangladesh borders. It is also alleged that Brigadier Khalid Musharraf, who briefly held power during the November 3-7, 1975 period, was about to invoke the treaty when he was toppled and killed. Opposition political parties in Bangladesh other than the Awami League (Hasina), Communist Party of Bangladesh (Moni Singh), and the National Awami Party (Muzaffar) have never stopped demanding the scrapping of the Friendship Treaty with India. But neither the Mujib nor Zia administration paid any heed to such demands.

The next issue in dispute in Indo-Bangladesh relations in the immediate post-1971 years was the trade pact signed between the two countries. The central feature of this pact was the creation of ten miles

of free trade zones on both sides of the border, designed ostensibly to promote closer trade relations between Bangladesh and India. Taking advantage of the free trade zones, smugglers on both sides of the borders became active. Jute, foodstuffs, relief goods, and other essentials from the hinterland in Bangladesh were collected inside the free trade zone and then smuggled into India. Similarly, consumer goods, medicine, tobacco, etc., found their way into Bangladesh from India.

Large-scale smuggling across the border cost the Bangladesh economy dearly. Prices of essentials shot up and the cost of living increased by 50%.³ The increases in the cost of living index were partly blamed on the trade pact with India, and there was strong public pressure on Mujib to cancel it. An official estimate put the loss of wealth due to smuggling at Taka 15 billion annually, three times more than Bangladesh earned from exports during the same period.⁴ Committed to the normalization of trade relations with India, the Awami League government in Dacca had speeded up the signing of the trade agreement, thus giving rise to suspicions that Bangladesh had not received a fair deal under the pact. Some clauses of the Indo-Bangladesh Friendship Treaty had already created suspicions in Bangladesh, and the concept of a free trade zone in the trade pact further fueled rising fears of Indian domination.

Bangladesh decision makers are to be criticized for their failure to perceive the ill effects of the agreement. The Mujib administration tried desperately to contain smuggling, but with no success. These efforts came to naught because all the conditions for the activity—i.e., “extreme shortage of supply of goods, mounting inflation and rapid erosion of the internal purchasing power of money, artificial overvaluation of currency, illegal transfer of capital and the like”⁵—were present in Bangladesh during the immediate post-1971 years.

If no conclusive evidence has been found to support the thesis that India did in fact impose these treaties on Bangladesh and tried to exploit the nascent state economically, why did such fears of domination by India grow so rapidly in Bangladesh? The answers to this question lie partly in the psychology of the nation as a whole and partly in its past experience of being exploited by the Hindu Zamindars and business class of West Bengal.⁶

The Farakka Barrage

Of the various issues responsible for deteriorating Indo-Bangladesh relations, construction and commissioning of a dam at Farakka in West Bengal, about 11 miles from Bangladesh's border, has perhaps attracted the most attention from the rest of the world. India maintains that it needs the barrage for the purpose of flushing the Hooghly River to make it free from silt and therefore keep the port of Calcutta operational. The Farakka Barrage is also designed to “improve communication facilities, drainage, sanitation and water supplies in Calcutta, as well as inland transport throughout West Bengal, with a

rail and road project over the Farakka."⁷ Bangladesh claims that the Ganges is an international river. Therefore, India must respect Bangladesh's demand as a lower riparian for a share in the Ganges water, which is vital for its southwestern districts.

India started construction of the barrage in 1962, and a 75-foot-high and 7000-foot-long barrage was completed in 1970 at a cost of U.S. \$208 million. The 26.5-mile-long feeder canal into the Bhagirathi River, however, took another four years to complete. The barrage and the feeder canal were finally commissioned in 1975 following an interim agreement signed between India and Bangladesh on April 18, 1975. Representatives from Bangladesh participated in the commissioning of the feeder canal and also in the ceremony dedicating the project to the Indian people in the following May.

Bilateral Negotiations and Consultations on Farakka before 1971:

For more than 28 years now negotiations and consultations at various levels have taken place between India and Pakistan, or after 1971 with Bangladesh, over the Farakka issue. But unfortunately a permanent solution to this vexing question is yet to be found. Although communications on the question were initiated in 1951, it was not until 1960 that both India and Pakistan agreed to meet to discuss the matter. Between 1960 and 1970, ten meetings at the expert and secretary levels were held between the two countries.

Beginning with the third secretary level talks at New Delhi (July 15–26, 1969), Pakistan began to push for a package deal guaranteeing a fixed amount of water to East Pakistan and also prescribing the mechanism for the implementation and supervision of the agreement. Pakistan proposed an agreement that would provide "(1) [a] guarantee to Pakistan of fixed minimum deliveries of the Ganges water on a monthly basis at an agreed point; (2) [for] construction and maintenance of such works, if any, in India as may be necessary in connection with the construction of the Ganges Barrage in Pakistan; (3) [for] setting up of a permanent Ganges Commission to implement the agreement; and (4) [for] machinery and procedure for settlement of differences and disputes consistent with international usage."⁸ India, however, was not enthusiastic about these proposals, arguing that until the exchange of data between the two countries was complete, there could be no talks to decide on the point of delivery of water into East Pakistan.

India's rejection of the Pakistani proposals created a stalemate in the talks. But this did not stop India from feeling that "in spite of the greater needs of Calcutta port, East Bengal's reasonable requirements of water were kept fully in view in designing the project at Farakka."⁹ It is surprising that India should come to such a conclusion since it implies an earlier agreement on the quantity of water to be shared by East Bengal when in fact no such agreement had been made.

At the fifth meeting (July 16–21, 1970) of the secretaries in New Delhi, it was only agreed that the point of delivery of water into East Bengal would be at Farakka and that a body would be constituted of one

representative of each country to ensure delivery of water (the amount to be decided on later).¹⁰ This was the last meeting in which Pakistan was represented as a party. Decisions taken at these talks could not be implemented because domestic turmoil engulfed Pakistan and led to the emergence of Bangladesh. The Farakka talks were not resumed until 1973, but in the meantime India went ahead with the construction of the dam.

Negotiations since December 1971: The formation of a government in Bangladesh by the moderate Awami League brought about new hopes for a settlement of the Farakka issue. In place of Pakistan, India now faced a friendly but weak Bangladesh across the negotiating table. Both governments felt that the Ganges water dispute could be approached from the perspective of the vast opportunities for comprehensive development of the region's water resources in the interests of the peoples of both India and Bangladesh.

The most important step in this direction was taken in 1972 when the prime ministers of both countries agreed to establish on a permanent basis a Joint Rivers Commission (JRC) to be composed of experts drawn from the two countries. The chief aim of the JRC was to "carry out a comprehensive survey of the river systems shared by both the countries in the fields of flood control and implement them."¹¹ Although not specifically entrusted with Farakka, the JRC nevertheless assisted in the negotiations between India and Bangladesh. A joint declaration issued following Mujib's visit to New Delhi in May 1974 recognized that "during the periods of minimum flow in the Ganges, there might not be enough water to meet the needs of the Calcutta port and full requirements of Bangladesh, [and] the fair weather flow of the Ganges in the lean months would have to be augmented to meet the requirements of the two countries."¹²

The two sides also expressed their firm support of a mutually beneficial agreement before the Farakka Barrage was commissioned in 1975. But differences soon arose over the question of the augmentation of the fair weather flow of the Ganges. Bangladesh proposed augmentation through storage in the Ganges basin, while the Indian proposal included augmentation of water through diversion of water from the Brahmaputra by excavating a 200-mile link canal to the Ganges and the construction of two dams in the Brahmaputra basin at Dihang and Subansari.¹³ The Indian proposal for constructing a link canal through Bangladesh territory was not accepted by Dacca authorities on the grounds that the "diversion of the Brahmaputra water during the lean months would cause adverse effects on its downstreams and the excavation of a link canal (through Bangladesh) would cause problems in Bangladesh."¹⁴

crucial lean months period (March–May) thus blocked any progress towards a comprehensive solution. But that was not all, since the two countries also differed over the amount of water to be funnelled into Bangladesh. During the dry season the average discharge below

Farakka is estimated to be only 55,000 cusecs (cubic feet per second). India maintains that it needs 40,000 cusecs of water to flush the Hooghly River, leaving the rest for possible use by Bangladesh. But Bangladesh demands the entire amount of 55,000 cusecs during the dry season to flush the Padma, which flows out of the Ganges further downstream into Bangladesh.

On April 16, 1975, the ministers in charge of flood control in both India and Bangladesh met at Dacca for another round of talks to break the deadlock. The talks were once again heading towards failure when the Bangladeshi prime minister intervened. A stop-gap solution was found that saved India from the possible embarrassment of commissioning the dam without an agreement with Bangladesh. An Indo-Bangladesh agreement on Farakka, signed on April 18, 1975 at Dacca, provided for the running of the feeder canal of the Farakka Barrage from April 21 to May 31, 1975 with discharge of water varying from 11,000 to 16,000 cusecs, ensuring the continuance of the remaining flow for Bangladesh. The flows were calculated on the basis of agreed upon figures of dependable supplies at Farakka as shown in Table 1.

TABLE 1: Amount of Water to be Shared between India and Bangladesh (in cusecs)

10-day period	Dependable Supplies at Farakka	Amount Agreed Upon for the Hooghly	Remaining Flows for Bangladesh
21 April to 30 April 1975	55,000	11,000	44,000
1 May to 10 May 1975	56,500	12,000	45,000
11 May to 20 May 1975	59,250	15,000	44,250
21 May to 31 May 1975	65,500	16,000	49,500

SOURCE: Government of Bangladesh, *Crisis on the Ganges*, p. 1.

It is evident from the table that the Bangladesh side had won considerable concessions from India. Bangladesh withdrew its demand for the entire 55,000 cusecs and settled for 44,000 cusecs, which were to be progressively increased to 49,500 cusecs. The agreement also provided for the placement of joint teams of experts from both countries at appropriate places in India and Bangladesh. The chief purpose of these joint teams was to monitor the effects of the withdrawals at Farakka on Bangladesh. The agreement expired on May 30, 1976, and

until this was replaced by another agreement initialled on September 30, 1977, India unilaterally withdrew 40,000 cusecs of water at Farakka. On a number of occasions Bangladesh protested to India, terming its action as illegal.

A drastic change in the climate of cooperation and consultation between the two countries took place on August 15, 1975 when Sheikh Mujibur Rahman's government was overthrown by a bloody military coup. The assassination of Sheikh Mujib and the killing of his family apparently earned Mrs. Gandhi's displeasure, and India's attitude towards the new government at Dacca hardened. Bangladesh continued its endeavors to get India back to the negotiating table, but these attempts at reconciliation failed. At this stage, Bangladesh's policy changed as Dacca took a number of measures to internationalize the Farakka problem. These were intended to bring international pressure on India to return to the negotiating table with Bangladesh and find a permanent solution to the Farakka issue.

In May 1976, Bangladesh raised the Farakka issue at the Istanbul Islamic Foreign Ministers' Conference, which, in its joint communiqué, "expressed deep concern over the problem of equitable distribution of international river Ganges resulting in the aggravation of economic hardship and retardation of the process of national construction in Bangladesh."¹⁵ Bangladesh also raised the Farakka issue at the Summit Conference of the Non-Aligned countries at Colombo in August 1976, but the Conference's joint statement did not contain a direct mention of the Farakka problem. Failing to receive any support at Colombo, Bangladesh decided to raise the Farakka issue at the 31st Session of the United Nations General Assembly. On the request of Senegal, Australia, and Sri Lanka, the Political Committee in the UN General Assembly decided to postpone consideration of the question to enable the contending parties to reach a bilateral solution. With the help of negotiations conducted by the representatives of Syria, Egypt, Sri Lanka, Algeria, and Guyana with the Indian and Bangladeshi representatives, it was agreed that both countries would meet urgently in Dacca. The General Assembly adopted a consensus statement on November 20, 1976 announcing the decision of the two countries and declaring that either could report on the progress of the talks to the General Assembly session in 1977.

Mrs. Gandhi's defeat in the Indian parliamentary elections of March 1977 led to the formation of a non-Congress government at New Delhi. Within three weeks of assuming power, the Janata government under Morarji Desai sent Jagjivan Ram to Dacca, and an "understanding" was reached between India and Bangladesh. This "understanding" led the way for the conclusion of a comprehensive five-year agreement on Farakka in New Delhi on September 30, 1977 that was formally signed in Dacca on November 5, 1977. The agreement provided for withdrawal by India and Bangladesh during the leanest period—from April 21 to May 30—at the rate of 20,800 cusecs and 34,700 cusecs (working out at 37.5% and 62.5%, respectively) of the

minimum flow of 55,500 cusecs at Farakka.¹⁶ Article IX of the agreement empowered the Joint Rivers Commission to investigate and study various schemes of augmentation of the Ganges water during the lean months. The JRC was asked to submit their own proposals and these were exchanged at Dacca on March 25, 1978.

The two proposals merely formalized both parties' earlier stands on the Farakka issue. Bangladesh wanted to augment the dry season flows of the Ganges by conserving its monsoon flows through storage dams in Nepal and India. Such a plan would necessitate Nepalese participation, which India refuses to accept. Instead, India adhered to its original proposal of excavating a link canal "taking off from a diversion barrage at Jogighopa on the Brahmaputra in Assam and terminating at a point upstream of Farakka on the Ganges."¹⁷

If Bangladesh proposals are accepted, these will not only immensely benefit India and Bangladesh but also give Nepal a water outlet to the outside world. "Water stored in Nepal during the monsoon season could be released into the Ganges through natural channels. Also, if a canal is built along the low-land Terai in Nepal, water could be delivered from the Gandak and Kosi rivers into the Mahananda in India's West Bengal and into the rivers Karotoya and Atrai in Bangladesh. Not only would the flow of these rivers be augmented but a waterway will be created, giving landlocked Nepal an outlet through Bangladesh into the Bay of Bengal."¹⁸

Bangladesh's demand to include Nepal in the talks was "grudgingly agreed to," as one observer put it, by the Janata government. Mrs. Gandhi, who was then in the opposition, was critical of this decision, and India was not late in reversing it once Mrs. Gandhi was back in power in New Delhi. India summarily rejected Bangladesh's proposal to include Nepal in any talks designed to augment the flows of the Ganges River. High-level contacts made during Zia's visit to New Delhi in late 1977, 1979, and again in August 1980, failed to change India's decision.

The JRC's efforts to find solutions to the Farakka problem did not succeed. In its September 1980 meeting, the JRC only agreed to disagree when it failed to propose any single common plan for solving Farakka.¹⁹ Under these circumstances, India pressed for the disbandment of the JRC. This move was initially opposed by Bangladesh but later on grudgingly conceded. Both countries, however, agreed to refer the issue to high-level political contacts between their governmental leaders. But no steps have yet been taken in this regard, and a permanent solution to the Farakka issue remains as elusive as ever.

Aid to Pro-Mujib Guerrillas

Following the military coup on August 15, 1975, a large number of pro-Mujib elements in the armed forces and the now-disbanded *Rakkhi Bahini* deserted, most of them fleeing to India. Until Mrs. Gandhi's parliamentary defeat in March 1977, these disgruntled forces received

financial and political patronage from the New Delhi government. Camps for training these forces were set up along Bangladesh's northern border with India, and a few more along the eastern and western borders. General Zia accused the Indians of arming these guerrillas and training them to attack rural police stations and villages, to blow up bridges and highways, and to spread urban terror.²⁰ Guerrillas apprehended by Bangladesh security forces told of being trained by Indian troops along the border or even as far away as Calcutta.²¹

Most of the pro-Mujib elements have united under the leadership of Kader Siddiqui, a hero of the liberation war. A disciple of Sheikh Mujibur Rahman, his main aim is to avenge the death of Mujib and his family and to overthrow the present government. From November 1975, this group attacked border outposts along the northern frontier of Bangladesh and also carried out acts of terrorism within the country. It was alleged that the Border Security Force (BSF) of India on a number of occasions helped those forces to infiltrate into Bangladesh. Kader Siddiqui's forces are well trained and if supplied with arms and ammunition by any outside party are capable of conducting guerrilla warfare within Bangladesh for a sustained period of time.

Activities of the disgruntled forces were curbed to a considerable degree following an understanding between the Zia and Desai governments. Under the agreement India was to refrain from aiding the pro-Mujib guerrillas in India, but it refused to hand over Kader Siddiqui or any other guerrilla leader to Bangladesh. Following Mrs. Gandhi's victory in the January 1980 elections and publication of an interview with Kader Siddiqui in the May 1980 issue of *Bichitra*, informed sources in Bangladesh have not ruled out new Indian aid to Kader Siddiqui's forces. However, according to a joint Indo-Bangladesh statement issued following Indian Foreign Minister Narashima Rao's visit to Dacca in August 1980, each side agreed not to allow its territory to be used for any hostilities against the other state and to maintain tranquility on the border.²²

The Maritime Belt

The real crux of the maritime dispute between India and Bangladesh, as pointed out by Marcus Franda, is similar to conflicts over territorial sea limits elsewhere, especially the West German-Netherlands disagreement of 1974-1975.²³ Franda also pointed out that this dispute was refused a hearing in the World Court because there were no binding international covenants for the apportionment of the seabed. Instead, the World Court suggested a solution on the basis of equality, a rather platitudinous formulation that India and Bangladesh both accept. Negotiations between India and Bangladesh over the question, however, have failed to produce any positive results. Following the series of coups and countercoups in 1975, Bangladesh increased its claims over the seabed. Basing its claim on the principle of "The Swatch of No Ground," the state laid claim to a new 7,000 square

mile area within a ten-mile belt, which is considered a potential oil-rich area. Following Indian Foreign Minister Narashima Rao's visit to Dacca in August 1980, both countries agreed to meet "with a view to reaching a mutually acceptable solution as early as possible."²⁴ Meetings were held in Dacca in December 1980, but with no substantial results.

The Muhurir Char Border Dispute

Indo-Bangladesh relations took a further downward turn on November 4, 1979, when sporadic firings broke out between Indian Border Security Force (BSF) and Bangladesh Rifles (BDR) in the Belonia sector. The troubles started when Indian farmers, under the protection of the BSF, attempted to harvest crops on nearly 50 acres of newly surfaced land on the river Muhuri on the Belonia sector, a border area between eastern Bangladesh and the northeastern Indian state of Tripura. "The Indians claim the new land as theirs while Bangladesh says that until the new border agreement comes into effect the new land, which was developed by the erosion of land on the Bangladeshi side, belongs to Dacca."²⁵ The 1974 Land Demarcation Agreement signed by Sheikh Mujibur Rahman and Mrs. Indira Gandhi defined the midstream of the Muhuri as the permanent boundary between India and Bangladesh. It was further stated in the 1974 agreement that such a principle would be followed even if the river changed its course. However, the Indians, for reasons of their own, have not yet ratified the 1974 agreement, so meanwhile the dispute between India and Bangladesh continues.

The Purbasha Island Dispute

The Indian annexation of a newly emerged island known as Purbasha in the Bay of Bengal has not only further soured Indo-Bangladesh relations but has also clearly helped in forming an intense anti-Indian public opinion in Bangladesh. Anti-Indian demonstrations were held and the Indian Airlines office was damaged during Indian Foreign Minister Narashima Rao's visit to Dacca in August 1980.

The island in dispute is about 24 by 12 kilometers and is situated in the mouth of the river Hariya Bhangra. The tip of the new island was first noticed in late 1971 by India, which notified the British Admiralty for a recording. It soon appeared in the admiralty chart as Neumoor Island.²⁶ In 1975 the formation of the island was picked up by satellite. The Indian BSF erected a number of concrete pillars and put up a board depicting the Indian flag and map on the island in 1978,²⁷ and in early March 1980, the West Bengal government hoisted the Indian flag over the island.

The Hariya Bhangra River, flowing through the Sunderbans, forms the border between India and Bangladesh. Since Purbasha is situated at the mouth of the river, determining the ownership of the

island has become more difficult. Apparently, "if the larger of the river's two channels flowed towards the west of the island, it would belong to Bangladesh. If the flow was towards the east it would be India's."²⁸ High-ranking Bangladesh Foreign Ministry officials are in possession of satellite photographs that "they say show the main river channel sweeping around the islands from the west."²⁹ Bangladesh's proposal for a joint survey of the disputed island is intended to substantiate its claims, but this has been rejected by India. In a written statement to the upper house of the Indian Parliament on July 15, 1980, the Indian foreign minister maintained that the newly emerged island was situated well within Indian territorial waters, that available data conclusively proved Indian ownership of the island. Therefore, India finds no justification for conducting a joint survey of the island.³⁰

Bangladesh expressed its complete surprise over this announcement and revealed that India had made commitments at the highest level to a joint survey which should therefore be honored.³¹ However, India was in no mood to give in to Bangladesh's demands. Following Narashima Rao's visit to Dacca, New Delhi merely agreed to discuss the question with a view to settling it peacefully at an early date,³² but the Indo-Bangladesh Joint Statement issued following this visit failed to mention just how the dispute was to be settled. The situation took a serious turn on May 9, 1981 when the Indian navy moved ships into the vicinity of the island and landed troops there.³³ The troops promptly erected tents, one aerial mast, and hoisted the Indian flag on South Talpatti (as Purbasha is known in Bangladesh). India justified its military action on the grounds of provocative activities by Bangladesh navy patrol boats in the area. However, the Bangladesh government maintains that its navy boats in the area were well within Bangladesh territorial waters and, in a strongly worded protest note to India, asked for the withdrawal of Indian ships and men from the disputed island. The Bangladesh government also renewed its call for a joint survey to settle the issue of the island's ownership.

The Indian occupation of Purbasha drew strong criticism from various political parties in Bangladesh. Even the Awami League (Hasina), known for its pro-Indian attitudes, could not remain silent and its secretary general issued a press note criticizing the Indian action.³⁴ The opposition political parties organized protest rallies and meetings and held demonstrations before the Indian High Commission office in Dacca. India has rejected all Bangladeshi protests and effectively occupies Purbasha; the Zia government drew severe criticism from opposition parties in Bangladesh for "giving away" Purbasha to the Indians.³⁵

Conclusions

The issues in dispute between India and Bangladesh are very complex in nature and their solution would require farsightedness, for-

bearance, and great patience on the part of leaders of both countries. Active cooperation and understanding of each other's problems would certainly help to resolve the outstanding issues between the two neighbors. This was shown to be true at least on one occasion in June-July 1979 when both countries cooperated to defuse a potentially dangerous situation arising out of two days of communal rioting in Nadia, West Bengal. Nearly 20,000 Indian Muslims crossed the border as a result of the riots and camped temporarily in the Kustia district in Bangladesh. India ultimately agreed to take back all of its nationals.

A South Asian Forum consisting of India, Pakistan, Bangladesh, Nepal, Sri Lanka, Bhutan, and the Maldives (proposed in May 1980 by Bangladesh President Ziaur Rahman, who was assassinated on May 30, 1981) could offer a framework under which solutions to various international disputes of the area could be sought on a multilateral basis. But the Zia proposals have run into rough waters. India (and to a lesser extent Pakistan) is opposed to any multilateral approach in negotiations on issues in dispute, including the Ganges waters. At the preliminary meeting of the South Asian foreign secretaries held in Colombo on April 21-23, 1981 to consider a Bangladesh draft working paper on the proposed South Asian Forum, India insisted on including in the communique that "they agreed that bilateral and contentious issues should be excluded from their deliberations."³⁶ The Colombo meeting set up five study groups to determine the potential and scope for regional cooperation in the fields of agriculture, rural development, telecommunications, meteorology, and health and population activities. These groups are to submit their reports to the next meeting of the foreign secretaries scheduled to be held in six months' time in Kathmandu. Undoubtedly, their task would be a difficult one since the man who first proposed the South Asian Forum, President Zia of Bangladesh, is dead and the basic issues in dispute among the South Asian countries remain unresolved.

Lack of a permanent resolution of the Farakka issue adversely affects the entire southwestern region of Bangladesh, which with 33% of the country's population and 37% of its land area is totally dependent on the Ganges water. Bangladesh's quest for permanent solutions to the problems has so far been cold-shouldered by India. By refusing to include Nepal in the Ganges water negotiations, India has only helped to create a "big bully" image for itself among the region's small countries. Obviously, the Indians think that by excluding other states from the negotiating process they can apply greater pressure on the Dacca government. The Bengalis, with a long record of fighting foreigners from the Moghuls down to the Pakistanis, are not likely to buckle in the face of Indian pressures. However, Bangladesh is militarily weak and in a disadvantageous position. Until India agrees to a settlement there may not be any permanent solution to their problems. Admittedly,

Bangladesh has few options available, but if its national leaders play these well the country may improve its negotiating stance vis-à-vis India.

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NOTES

1. For a further discussion on some of these issues, see Talukder Maniruzzaman, "Bangladesh in 1976: Struggle for Survival As An Independent State," *Asian Survey*, 17:2 (February 1977), pp. 191-192.
2. For details see S. M. Ali, *After the Dark Night: Problems of Sheikh Mujibur Rahman* (New Delhi: Thompson Press, 1973).
3. Rounaq Jahan, "Bangladesh in 1972: Nation Building in a New Nation," *Asian Survey*, 13:2 (February 1973), p. 209.
4. *The Bangladesh Times*, December 16, 1976.
5. Akhlaqur Rahman, "Indo-Bangladesh Economic Relations: Prospect and Retrospect," *Holiday*, March 17, 1974.
6. S. M. Ali, *After the Dark Night*, p. 136.
7. *The Japan Times*, August 28, 1968. Cited in Mujtaba Razvi, *The Frontiers of Pakistan* (Karachi: National Publishing House, 1971), p. 61.
8. Government of Bangladesh, *White Paper On the Ganges Water Dispute* (September 1976), p. 13.
9. Government of India, *The Farakka Barrage* (January 1977), p. 5.
10. Recommendations of the fifth meeting of the secretaries held at New Delhi, July 16-21, 1970. For details, see *White Paper on the Ganges Water Dispute*, p. 14.
11. Joint Declaration of Prime Ministers of India and Bangladesh of March 19, 1972. See *Bangladesh Documents*, Vol. 1, no. 2 (Dacca: Ministry of Foreign Affairs, 1972), p. 6.
12. *Bangladesh Documents*, vol. 2, no. 4, p. 13.
13. Duad Majlis, "Letter from Dacca," *Far Eastern Economic Review*, April 7, 1978, p. 134.
14. *White Paper on the Ganges Water Dispute*, p. 15.
15. *The Bangladesh Observer*, May 17, 1976.
16. *The Statesman*, September 30, 1977.
17. "Long-Term Solution of the Ganges Water and the Ganges Water Agreement of 1977," *Bangladesh in International Affairs*, 1:10 (October 1978), p. 6.
18. Duad Majlis, "Letter from Dacca," p. 134.
19. *The Bangladesh Times*, September 1, 1980.
20. General Zia's interview with William Borders. See *New York Times*, September 27, 1976.
21. *Ibid.*
22. *The Bangladesh Times*, August 19, 1980.
23. Marcus F. Franda, *Indo-Bangladesh Relations*, American Universities Field Staff Reports, vol. 19 (September 1975), p. 7.
24. Indo-Bangladesh Joint Statement of August 18, 1980. See *The Bangladesh Joint Times*, August 19, 1980.
25. *The Far Eastern Economic Review*, December 7, 1979, p. 41.

26. *The Far Eastern Economic Review*, May 2, 1980, p. 38.
27. *The Bangladesh Times*, April 4, 1980.
28. *The Far Eastern Economic Review*, May 2, 1980, p. 38.
29. Michael T. Kaufman, "To Bangladeshis, India Seems a Domineering Giant," *New York Times*, July 24, 1980.
30. *The Bangladesh Times*, July 26, 1980.
31. Bangladesh Foreign Minister Shamsul Haq's statement before the Bangladesh parliament on July 25, 1980. For the text, see *The Bangladesh Times*, July 26, 1980.
32. This pledge is contained in the joint statement issued following Narashima Rao's visit to Dacca. See *The Bangladesh Times*, August 19, 1980.
33. *The Bangladesh Times*, May, 17, 1981.
34. See *The Bangladesh Times*, May 21, 1981.
35. Even Rear Admiral (Retired) M. H. Khan, a former Deputy Chief Martial Law Administrator and former Chief of Naval Staff, severely criticized the Zia government for not doing everything to gain control of Purbasha. He maintained the island belonged to Bangladesh since it was situated on the eastern side of the Hariya Bhanga river. From Admiral M. H. Khan's press conference at the National Press Club, Dacca, on August 19, 1980. See *The Bangladesh Times*, August 20, 1980.
36. *The New Nation*, April 26, 1981.

PETRONAS: MALAYSIA'S NATIONAL OIL CORPORATION

Bruce Gale

DECADES BEFORE THE ONSET of the oil shortages that plagued the industrialized and the industrializing world alike in the 1970s, President Cardenas of Mexico met with oil company representatives in Mexico City. The immediate problem was a strike by employees that had brought oil production in the country to a standstill. "Who would guarantee a settlement?" the executives wanted to know. "I will," replied the President. "You!" mocked one British official. President Cardenas stood up. "Gentlemen," he said with dignity, "we have finished."¹

Mexico nationalized the oil industry, set up its own oil company, and in the years that followed successfully resisted attempts to bring the country to heel through an international boycott of the nation's oil exports. Since then things have never been quite the same. For the Third World the example of Mexico was there to follow and, while countries such as Malaysia have been unwilling to risk outright nationalization, many have drawn the lesson that indigenous control of national petroleum resources was an achievable goal.

The establishment of PETRONAS by the Malaysian government in 1974 was part of a wave of nationalistic oil legislation that swept the Southeast Asian region in the 1970s. In 1973 there were little more than 30 Third World nations with public enterprises charged with the specific task of seeking, producing, refining, and marketing oil within their borders. By the end of 1977, however, this figure had risen to about 80.² Whatever the worldwide political and economic results of the OPEC price rises, and the oil shortages that accompanied them, their effects on the bargaining powers of the oil-producing developing nations were substantial.

Following the example of PERTAMINA, the Indonesian state oil company, PETRONAS worked to replace standard concession contracts with more lucrative production sharing schemes. For these two organizations, as well as the state-run Philippine National Oil Company and the Singapore Petroleum Company, the 1970s was also the era of

the establishment of national energy policies aimed at the exploitation of petroleum resources according to domestic needs rather than the commercial interests of the international oil corporations.³

Even more significant, however, was the fact that the setting up of PETRONAS coincided with other moves to control and regulate the Malaysian economy. The free enterprise economic system inherited from colonial times had clearly been responsible for much of the development that had taken place in the country before independence. The 1969 race riots, however, highlighted the failure of the system to produce a racially equitable distribution of the nation's wealth. Urban Chinese and Indian communities continued to dominate business and the professions while the rural-based Malay agricultural and aristocratic classes controlled the government and administration. The New Economic Policy (NEP) announced by Prime Minister Tun Razak soon after the riots sought to use government agencies to "restructure" the society by promoting government-owned Malay ("bumiputra") companies.⁴

These measures were not deliberately socialist. However, they did resolve massive government intervention in areas of the economy that had previously been left untouched. In Malaysia, where a Western-educated Malay political leadership still faced occasional challenges from the remnants of an abortive Chinese-led communist insurgency in remote jungle areas, such a strategy had obvious dangers. On the one hand government economic controls were necessary to ensure the development of a genuine Malay business community and guarantee local control of the nation's resources. On the other hand enthusiastic support for such policies could lead to accusations of socialist and, by implication, communist sympathies.

This was the political atmosphere in which PETRONAS was forced to operate. As the organization itself was soon to discover, the battle for control of Malaysia's oil resources was not simply a struggle with the oil companies alone. It also involved PETRONAS in a careful assessment of the local political situation and a consideration of the sort of policies that would prove acceptable to senior government leaders.

The development of the Malaysian petroleum industry can be conveniently divided into two phases according to the policies pursued by the government. The first phase, which involved a minimum of governmental interference, was generally one of stagnation and inactivity. In the 1960s, however, the oil companies stepped up their prospecting activities in Malaysian waters, leading to a number of significant oil strikes by the end of the decade. The second began in 1974 with the establishment of PETRONAS and subsequent governmental attempts to control and regulate the industry with the expectation of obtaining a greater share of the profits. Not unexpectedly, this period was characterized by confrontation and difficult negotiations with the oil companies, but it was also an era of huge increases in oil production and significant developments in related fields.

The Free Enterprise Approach

Until the early 1960s the prospects of discovering oil in Malaysia were generally not considered to be particularly good. Oil had been produced in Sarawak since 1911 and there had been significant strikes in neighboring Indonesia. However, technological limitations and relatively low international oil prices precluded the development of the region's offshore oil deposits, even if they had been known to exist.⁵

In the 1960s, however, technological improvements enabled prospecting in Malaysian waters to be stepped up. Offshore drilling by Shell resulted in the discovery of oil near Brunei in 1963, and by the end of the decade a different picture of Malaysian petroleum potential was beginning to emerge. A United Nations report in 1970 confirmed earlier pessimistic estimates regarding continental oil deposits in West Malaysia but pointed out that broad surveys of the continental shelf between Singapore and Seoul had revealed the existence of "deep sedimentary basins with attractive petroleum potential."⁶

This was the heyday of the free enterprise approach to petroleum development. Sarawak Shell, as well as other foreign companies prospecting in Malaysian territory, worked under a concession system with the state governments within whose jurisdiction they operated. Complete freedom in the management of oil resources was theirs. The foreign oil giants only had to pay taxes and royalties. Malaysia, like other governments of the region, operated merely as the tax collector.

The discovery and exploitation of offshore oil fields in Sarawak led to major increases in oil production after 1967. Crude petroleum production rose from 1,000 barrels to about 99,000 barrels per day between 1967 and 1973.⁷ Large commercial reserves of natural and non-associated gas were also discovered in the state and plans were laid for a M\$2,000 million liquified natural gas (LNG) plant in Bintulu to export the gas to Japan. Meanwhile, in peninsular Malaysia, prospects for future oil strikes also seemed bright. Exploration in two offshore oil concession areas on the East Coast commenced in 1970, and in 1971 another oil company was awarded the right to explore the continental shelf in parts of the Straits of Malacca.⁸ Subsequent strikes by Esso on the East Coast encouraged rising expectations of an oil-based economic boom.

The *Economic Report* of the Ministry of Finance for 1974–1975, which was released about the same time PETRONAS came into operation, reflected a growing sense of euphoria over the meteoric rise in oil production—particularly in the light of the OPEC price increases. The report predicted that oil production would accelerate economic and industrial development through the construction of refineries, the development of a petrochemical industry, marketing activities, and the creation of employment opportunities on the East Coast of peninsular Malaysia as well as in Sabah and Sarawak. Kuantan, already a service center for oil exploration activities, was expected to see a petrochemical

industry develop in its hinterland that would add impetus to government attempts at regional development.⁹

By the end of the 1970s, the report asserted, production might reach 500,000 barrels a day. This was indeed an optimistic forecast given the extent of the country's known reserves at the time; it completely ignored the need for conservation of this non-renewable resource. Oil industry sources were more conservative in their estimates. Speaking at a Conference on Southeast Asia's resources at Kuala Lumpur in September 1974, C. H. Hardesty, a senior official of the Continental Oil Company, warned that:

It is going to take a considerable time to explore fully the potential of the South-East Asian region since it is almost 20 times larger than that of the North Sea oil basin. On the basis of the discoveries so far it would appear that we do not have another Middle East, or even another North Sea, but an area where relatively small discoveries are the norm.¹⁰

In the following year another oil company executive put it more bluntly: "You can't just put down a drill anywhere you want, as in the Middle East, and out it bubbles. That's been Malaysia's problem. They think they're Saudi Arabia."¹¹

Production Sharing

The Malaysian government may well have overestimated the size of the country's oil reserves, but it was not about to make the mistake of allowing an important national resource to be depleted without gaining the maximum possible financial return. Senior government officials first began to think seriously about setting up a national petroleum corporation sometime in early 1971 when the late Deputy Prime Minister Tun (Dr.) Ismail discussed the possibility of Indonesian assistance with the head of PERTAMINA (Lieutenant General Ibnu Sutowo) during a visit to Indonesia in March.¹² However, government plans were not sufficiently advanced for them to be outlined in the *Second Malaysia Plan*, which was published in the same year.¹³

In June 1972 General Sutowo visited Kuala Lumpur and agreed in talks with former Prime Minister Tun Razak to provide technical assistance for the government's proposed petroleum corporation.¹⁴ In October a delegation of officers from the Ministry of Primary Industries went to Jakarta to study the operation of PERTAMINA, and this was followed in December by an announcement that the government intended to establish the corporation within a year or two. A special unit in the Ministry of Primary Industries was to be set up to take charge of petroleum related policies and supervise the establishment of the new corporation, which was to operate along lines similar to those of the Indonesian state oil corporation.¹⁵

The Petroleum Development Act of 1974 gave PETRONAS the exclusive right to explore and exploit Malaysia's onshore and offshore petroleum reserves. Exploration licenses or petroleum agreements made under prior legislation were to remain in force for a period of no

more than six months unless the Prime Minister agreed to an extension.¹⁶ With this act the Malaysian government thus served notice on the foreign oil companies that all existing contracts would have to be renegotiated with the new national organization. Their future status was to be merely that of contractors. A measure of the government's determination to ensure the success of PETRONAS in the difficult times ahead was the fact that the organization was to be responsible directly to the Prime Minister rather than to the Minister of Primary Industry.

Before PETRONAS could take on the oil companies, however, it had to have the acquiescence of the states. This was not necessarily an easy goal to achieve. Under the Malaysian constitution, mining was a state matter and state governments had few sources of income apart from those related to their control of the land. In the past the foreign oil companies had made agreements directly with the states and these governments were naturally reluctant to surrender their powers to a federal organization.

Finally, a combination of party pressure (all governments at state and federal levels belonged to the same political coalition) and financial inducements was successful in persuading the states to sign agreements giving PETRONAS exclusive rights in petro-chemical and petroleum industries within their borders. However, state governments were still interested in gaining a foothold in the lucrative industry. A unilateral attempt by the Negri Sembilan State Economic Development Corporation (SEDC) to set up a petro-chemical complex at Port Dickson met with a curt reminder that, under regulations gazetted in December 1974, it needed a license from PETRONAS in order to operate.¹⁷

Later events showed that PETRONAS was determined not to share its monopoly. In April 1975, at the official signing of an agreement giving the federal organization exclusive rights to operate in Perak, the state Menteri Besar (Chief Minister) could only express the forlorn hope that PETRONAS would consider joint ventures with state governments in the future. However, even this compromise arrangement proved unacceptable. By 1978 it was clear that the Perak government's proposal to build an oil refinery as a joint-venture project with PETRONAS had been indefinitely shelved.¹⁸

One state in particular was not reluctant to show its displeasure. Sabah, the last and most recalcitrant state, did not sign an agreement with PETRONAS until June 1976. The former state Chief Minister, Tun Mustapha, had apparently refused to cooperate as part of a general policy of maintaining the state's independence from federal controls. His fall from power in the state elections of early 1976 and the success of Berjaya, a party anxious to obtain the favor of federal leaders, enabled PETRONAS to sign an agreement with the new Chief Minister, Tun Haji Mohammed Fuad.¹⁹

The man former Prime Minister Tun Razak selected as chairman of PETRONAS was well qualified to take on the oil companies. Tengku Razaleigh Hamzah, a graduate in economics and a member of the Kelantanese royal family, was well known by close associates as an inde-

fatigable worker and had already received national prominence as the chairman of PERNAS (the National Corporation). This latter organization was a key instrument in the government's avowed policy of "restructuring society" so as to break informal Chinese business monopolies.²⁰ Tengku Razaleigh's new appointment, said the Prime Minister, was equivalent to that of a cabinet minister—a point that emphasized not only the new rank to be accorded to Razaleigh, but also the personal interest and support of the Prime Minister for the new organization.²¹

Impressed with Tengku Razaleigh's heavy involvement in Malaysian public enterprises, some local observers in the early 1970s began predicting that he would become Malaysia's equivalent of General Ibnu Sutowo. Tengku Razaleigh himself expressed admiration for his Indonesian counterpart,²² and both developed formidable reputations as hard bargainers with multinational oil companies. Moreover, government spokesmen made no secret of the fact that PETRONAS was to follow PERTAMINA's lead in consolidating the petroleum interests of state governments into a single organization, negotiating production-sharing contracts and following policies aimed at the expansion of downstream activities such as refining and marketing.

Perhaps the most important similarity between the two men, however, was the fact that each one provided an indefinable sense of economic leadership to their respective indigenous business communities. Both the pribumis in Indonesia and the bumiputras in Malaysia resented the domination of Chinese and foreign businesses in their respective national economies. Tengku Razaleigh and General Sutowo seemed to personify a new entrepreneurial élan that would overcome indigenous feelings of inferiority.

The near collapse of PERTAMINA in 1975 as a result of the organization's inability to meet its short-term loan commitments and General Sutowo's dismissal by President Suharto in March 1976 did little to tarnish Tengku Razaleigh's reputation.²³ Comparisons would, in any case, have been unfair if they implied that either PERNAS or PETRONAS was likely to face financial difficulties similar to those of PERTAMINA. The close personal interest of successive Prime Ministers ensured that both Malaysian organizations remained well within the control of central planners. Besides, Tengku Razaleigh's limited appointments as chairman in both PERNAS (1970–1974) and PETRONAS (1974–1976) meant that he had little time to develop the sort of Czarist financial empire that General Sutowo was accused of creating in Indonesia.

The first round in the battle for control of the Malaysian oil industry began in September 1974 at the Conference on Southeast Asian Resources in Kuala Lumpur. Although concerned to reassure the oil companies that government policy was not one of nationalization, government spokesmen at the Conference repeatedly made it clear to participants that it was no longer compatible with national policy to allow foreign domination of such an important industry. "We want to be

masters of our own house and of the goods within," said Tengku Razaleigh.²⁴

Two years later, with the fate of the Malaysian oil industry still in the balance, some government officials were prepared to state the issues more forcefully. Addressing members of the Malaysian Economic Association in September 1976, the Special Economic Advisor to the Prime Minister, Raja Tan Sri Mohar bin Raja Badiozaman, informed his listeners that as far as the oil companies were concerned, the national interest of the host country was "the least of their considerations."²⁵ A more charitable view—that the oil companies were naturally concerned for the national interest even if only because a stable government and prosperous economy were important prerequisites for good business—seemed to have been lost over the previous months of tough negotiations.

By the early 1970s most of the governments in the Southeast Asian region had allotted large areas of their continental shelves to the international oil companies and given them wide-ranging powers to explore, exploit, and dispose of petroleum reserves. The primary source of government revenue from these standard concession contracts was a flat royalty of between 8% and 12.5% of the value of the crude produced. By following the PERTAMINA example in negotiating production sharing contracts, PETRONAS hoped to reduce the status of the foreign oil giants to that of mere contractors and thus reassert control over the exploration, production, processing, and marketing of its petroleum reserves.

Equally important was the desire of the government to win a greater share of the profits. Production sharing in Indonesia involved about 40% of the total production going to the oil companies to cover exploration and other costs. The remaining 60% was divided between PERTAMINA and the companies with the state oil company getting 65% to 70% and the oil companies 30% to 35%. There was also a further 85% surcharge on excess profits on the companies' share. Additional advantages for the government included signature, production, and discovery bonuses. These involved large sums of money payable by the contractor to the government upon the signing of a contract, production levels from a particular oil field reaching certain predetermined levels, and the discovery of a commercially viable oil field.²⁶

Right from the start, however, PETRONAS had more difficulties than PERTAMINA had ever encountered. In Indonesia the full impact of production sharing was not felt all at once because the country still recognized standard concession contracts negotiated by Caltex before World War II.²⁷ According to a 1971 agreement, production sharing for these fields was not to come into effect until 1983. Malaysia, on the other hand, decided to break all existing contracts immediately. Angry oil company executives were in no mood to conclude new agreements and PETRONAS made little progress.

In April 1975, after the six months grace period stipulated in the Petroleum Development Act had expired, the government introduced

amendments designed to pressure the oil companies even further. The amendments obliged the companies to provide PETRONAS with 1% of their equity in the form of "management shares" that would carry voting rights equal to 500 ordinary shares.²⁸ By this means the government showed that it was prepared to consider the possibility of gaining effective control of the companies' downstream activities without providing fair compensation.

The results were dramatic. In the following month Exxon suspended all its exploration activities in Malaysia. These activities were about to culminate in the establishment of two major offshore platforms, each capable of handling 24 wells, that were nearing completion in Japan. The placing of these platforms in dry dock meant, by the company's estimate, the loss of at least 40,000 barrels per day in production potential. Exxon was not exaggerating. Other experts apparently believed that this figure could easily be doubled. The platforms also represented an investment of around M\$100 million, much of it in contracts to Malaysian companies that had to be cancelled or delayed indefinitely.²⁹

Officially the company claimed that it decided to suspend its operations because it suddenly found itself with no contract. Apart from the amendments to the Petroleum Development Act, however, many diplomats and other oil executives believed that the real reason was that the company was not sure how much oil would be recovered when pumping began. Shell, the only other oil company with significant investments in Malaysia, had been operating oil fields in Sarawak for decades. The company thus felt able to continue production under an interim agreement with PETRONAS allowing it to retain at least 7.5% of the crude produced. For Exxon, which had yet to receive an adequate return on its investments, such an agreement was completely unacceptable.³⁰

PETRONAS officials were furious. By June Tengku Razaleigh, in his characteristically forthright and abrasive manner, was accusing the foreign oil companies of trying to "blackmail" PETRONAS by making public comments about the Petroleum Act that would drive away foreign investors.³¹ He followed this up later in the month by announcing that PETRONAS was not prepared to submit to threats of pulling out huge investments from Malaysia by certain oil companies that were trying to get the government to agree to their terms. "We are reasonable people," he said. "We are willing to listen to reason, not threats."³²

In November Exxon and PETRONAS reached an interim agreement under which the oil company resumed its activities in Malaysia.³³ The negotiations for the new production sharing contracts, however, remained stalled. The effect of the introduction of the management shares concept had been counter productive and had given the oil companies an excuse to adopt a tough and uncooperative stance. The months dragged on with little prospect of an agreement being reached. Finally, in July 1976 the government decided to play its last card. The

new Prime Minister, Datuk Hussein Onn, announced that oil companies with exploration rights were to be given until November 15 to conclude production sharing contracts with PETRONAS or face the possibility of the takeover of their rights without adequate compensation.³⁴

Several cabinet members, however, were becoming increasingly concerned that the government's tough stand in the negotiations would not have the required effect. As early as September 1974 the Minister for General Planning and Socio-Economic Research had warned that the terms under which multinational corporations operated should not be too harsh "lest we kill the goose that lays the golden eggs."³⁵ By late 1976 it was clear that more senior ministers agreed. In September Deputy Prime Minister Dr. Mahathir, one of the most powerful of Tengku Razaleigh's cabinet rivals, announced that he was prepared to support a further amendment to the Petroleum Development Act if it would help improve the investment climate.³⁶ Even the new Prime Minister was no longer prepared to give full support to the management share concept. Political reasons, he said, prevented a change.³⁷

Finally, the pressures on Tengku Razaleigh became too great. With barely six weeks to go before the expiration of the November 15 deadline, he announced his resignation from the corporation, ostensibly so that he could spend more time on his recently appointed position of Minister of Finance.³⁸ His civil servant successor, Tan Sri Abdul Kadir Shamsuddin, was widely expected to be more flexible in his negotiations with the oil companies. Despite protestations to the contrary, it was clear that Tengku Razaleigh's oil policies had lost the firm support they so badly needed. In December, soon after the signing of production sharing contracts that were much more favorable to the oil companies than Tengku Razaleigh had been prepared to allow,³⁹ the government introduced a bill into Parliament to repeal the management shares provisions of the PETRONAS Act.⁴⁰

It is worth considering at this point why Tengku Razaleigh failed. He was, after all, nearing the peak of his political career. His rapid rise from the relatively obscure position of UMNO leader in the state of Kelantan in the 1960s to that of chairman of the Bank Bumiputra, PERNAS, and the PETRONAS had culminated in 1976 with his appointment as Minister of Finance, making him the youngest member of the Malaysian cabinet. Moreover, his popularity within the Malay community, which formed the basis of the government's political support, had never been greater. The PETRONAS debacle represented the first major political defeat of his career.

The truth, it seems, was that Tengku Razaleigh's cabinet colleagues felt they could no longer support policies that were being increasingly interpreted by foreign investors as the first moves towards the nationalization of the oil industry. Malaysian development plans laid heavy stress on the need for foreign capital and powerful ministers such as Dr. Mahathir and Ghazali Shafie, the Home Affairs Minister, were known to be particularly concerned about the dangers of excessive

government regulation of the economy. There were also other, more subtle, factors at work. Tengku Razaleigh lacked experience, and his belligerent approach seemed to fly in the face of the traditional Malay preference for indirection and compromise.

One area in which the government had already seen the need for accommodation and flexibility in economic policy was in the implementation of the controversial Industrial Co-ordination Act of 1975. This act required manufacturers to obtain a license from the Ministry of Trade and Industry. The private sector was particularly alarmed at the wide powers given to the minister allowing him to impose whatever conditions he saw fit in issuing the license. Concern over the implementation of the act was so widespread that a sharp drop in manufacturing investment soon followed.⁴¹ Many foreign investors were apparently concerned that Tengku Razaleigh's battle with the oil companies, coming as it did so soon after the passage of the Industrial Co-ordination Act, heralded a new and more ominous phase of Malaysian economic nationalism. In July 1976 the Minister for Trade and Industry, Datuk Hamzah bin Abu Samah, announced that existing manufacturers would be given licenses automatically on application.⁴² This was followed later by a ruling allowing certain categories of manufacturing to be exempted from the provisions of the act altogether.⁴³

For several years the government had been particularly sensitive to suggestions that it nationalize various industries. Opposition politicians found that enthusiastic support for nationalization made them likely candidates for detention under the provisions of the controversial Internal Security Act.⁴⁴ The case of PETRONAS was no different. During the debate on the 1974 Petroleum Development Act, Primary Industries Minister Datuk Haji Taib Mahmud warned opposition parliamentarians not to raise the issue of nationalization. Debate on this issue, he said, could have severe effects on the country's industrialization program.⁴⁵

Earlier, the government had rejected a suggestion by the primary Industries Minister himself that the proposed national oil corporation adopt the acronym HIKMA (Hydrocarbon Malaysia) because the name would have given the impression that the government was nationalizing the industry. A further proposal that the organization be set up as a statutory body was rejected on the same grounds. Instead, PETRONAS was incorporated under the 1965 Companies Act.⁴⁶

By late 1976 Tengku Razaleigh was in a difficult position. After the death of Tun Razak in January several of the former Prime Minister's protégés became the targets of an anti-communist campaign by disaffected party leaders outside the cabinet.⁴⁷ The arrest of two Deputy Ministers in November under the Internal Security Act for alleged clandestine communist activity was the culmination of months of allegations and innuendos that had created an atmosphere of distrust and suspicion within the party.⁴⁸ Tengku Razaleigh, who shared the same mentor as those whose political views were being questioned, could not afford to be accused of pursuing socialist policies.

Conservation

Unlike Indonesia, Malaysia was in no desperate need to export its oil in order to finance industrial development. Its good balance of payments position, based on the traditional exports of rubber, tin, palm oil, and tropical hardwoods, was sufficient to ensure steady economic growth. The oil companies, on the other hand, were naturally anxious to recover their heavy investments and begin making profits as soon as possible. This could only be achieved by a high rate of extraction. The government's dilemma was that while high production levels would enable it to take advantage of buoyant international oil prices, it could also mean that little more than 50% of its reserves would be recoverable. With a controlled rate of extraction, said the experts, the recovery rate would be increased to more than 80%.⁴⁹

Although the new PETRONAS chairman expressed support for the careful management of oil reserves, the production-sharing contracts negotiated in 1976 did not attempt to place limits upon production levels.⁵⁰ The Third Malaysia Plan (1976–1980) predicted that the output of crude and refined petroleum would “expand substantially to about 180,000 barrels per day by 1978—about double the peak production during 1971–74.”⁵¹ By 1977, however, this growth had already been achieved and production was expected to rise still further as oil began to flow from Exxon's Pulai Field off the coast of Trengganu in Peninsular Malaysia in the following year.⁵²

Lacking the decisive leadership of earlier years, PETRONAS seemed to vacillate between a policy of conservation of proven reserves and one of maximum exploitation in the shortest possible time. The official view was that, at a production rate of 200,000 barrels a day, Malaysian reserves of oil would be exhausted within 13 years. But this did not stop PETRONAS from revising upward its forecasts of oil production. By the end of the decade daily output was officially expected to exceed 300,000 barrels.⁵³ In June 1979 the report of an oil consultancy firm commissioned by PETRONAS recommended that the production of oil be limited in order to conserve supplies and suggested that the development of newly discovered oil fields be postponed.⁵⁴ However, the organization delayed making a definite decision and official intentions remained obscure. At least two business magazines, for example, were under the impression that the conservationist option had been rejected.⁵⁵

Finally, in May 1980, PETRONAS notified its oil contractors that they were required to adjust their production levels to conform to the government's newly created National Depletion Policy. Production for the whole of 1980 was to average no more than 270,000 barrels per day. Regulations aimed at minimizing the wastage of associated gas by reducing flaring were also to be observed.⁵⁶ While the oil companies were not happy with the new ruling, it was not until December that one of them was willing to risk taking a public position. The outgoing chairman of Shell, in a new year's message published in *Berita Shell*, claimed that the implementation of the National Depletion Policy had affected

the economies of some of the company's investments. He hastened to add, however, that the policy itself was prudent and consistent with developments in other oil producing countries.⁵⁷ Having committed themselves in 1976 to the further development of Malaysia's oil reserves, oil company executives were reluctant to provoke the sort of public controversy that characterized the production-sharing negotiations.

It was Esso (formerly Exxon) that had the most to lose from the implementation of the National Depletion Policy. The company had, after all, only begun drilling in its contract area off the coast of Peninsular Malaysia in late 1977.⁵⁸ The delayed announcement of conservationist measures enabled Esso to increase production to economically viable levels. Official figures showed that between June 1978 and June 1979 the company increased its output of crude oil by 101% to reach 113,916 barrels per day. By comparison with Shell, the more established contractor on the Malaysian scene, this was a high rate of increase indeed. In the same period the Sabah Shell Petroleum Company increased its production by 22% and Sarawak Shell Berhad by only 1.4%.⁵⁹

The conflict of interest between the oil companies and the government over production levels received wide publicity in late 1980. In September opposition politician Lim Kit Siang accused Esso of secretly producing oil in excess of the limits set by PETRONAS, arguing that this had caused the country colossal financial losses. He also alleged that the company had incurred huge and unnecessary expenditures that would eventually have to be borne by PETRONAS and the government, made fraudulent insurance claims, and used substandard platforms and unqualified personnel.⁶⁰

The suggestion that an oil contractor might consider using unethical means of increasing profit margins was not new to the government. After the signing of an agreement with Sarawak Shell in 1977 regarding the development of the Bintulu Liquefied Natural Gas (LNG) project, PETRONAS itself had had similar fears. The government insisted that the Sarawak-Brunei pipeline be dismantled because it suspected that it might be used to send oil illegally to Brunei.⁶¹ Lim Kit Siang's allegations, however, were much more widely reported in the Malaysian press at a time when the government seemed anxious to restore investor confidence after an extended period of disruption. After a perfunctory investigation, the Prime Minister refused to take up the case and Esso sued Lim for libel.⁶²

Technical Expertise

Illegal production, if it existed, could always be controlled if the government was determined to enforce its conservationist measures. A potentially more serious problem, however, was the lack of technical expertise. In 1973 the Minister for Primary Industries admitted can-

didly that the government had been bargaining "with guts and not facts" in its negotiations with the oil companies.⁶³ A major recruitment drive by PETRONAS in the following year was unable to attract highly qualified and experienced personnel. In 1975 the organization's staff consisted of fewer than 40 full-time employees. PETRONAS did not have a geologist and most of its employees were junior civil servants.⁶⁴ Little wonder that one international oil company executive dismissed Malaysia's oil knowledge with the contemptuous remark that the Malaysians "wouldn't know an olefine from a chocolate bar."⁶⁵

In the years immediately before the establishment of PETRONAS, the government's ignorance had caused it to make serious mistakes. In negotiating a standard concession agreement with Mobil for areas off the coasts of Penang and Kedah, for example, the government, thinking there was a great deal of oil there, had successfully demanded that the company pay royalties of up to 25%. Exxon, on the other hand, was allowed to get away with the payment of a mere 12.5% royalty. Later developments proved the government wrong. By 1976 Mobil had abandoned its drilling area while Exxon struck oil and gas.⁶⁶

Perhaps the best thing that could be said for the situation was that PETRONAS realized its ignorance and made strenuous efforts to overcome it. Apart from Indonesia, Tengku Razaleigh sought assistance from government petroleum agencies in Europe such as those of France and Italy. Foreign consultancy firms were also employed. The most practical help, however, came from Saudi Arabia, which offered to train PETRONAS officials in negotiating tactics with the oil companies and give scholarships to Malaysians to study Petroleum Engineering in Saudi Arabian universities.⁶⁷

These measures took time. Meanwhile PETRONAS was obliged to enter into negotiations with the oil companies and conclude agreements on the basis of limited information and almost no experience. The government's earlier negotiations with Mobil and Exxon had shown that, without technical help, it was difficult to estimate the size of the oil reserves in a particular area or interpret survey data correctly. This was an important point because a high estimate of oil reserves would put the government in a better bargaining position. During the 1976 negotiations, PETRONAS faced a similar problem. Unable to carry out its own survey, the organization was solely dependent on the oil companies for data.⁶⁸

By the late 1970s, however, PETRONAS was well established. There was still a shortage of qualified personnel, but the situation was steadily being corrected through a crash program to train Malaysians in the oil business. Plans were well advanced for the construction of an oil refinery, and the organization had its own exploration subsidiary (Petronas Carigali) and had also begun to challenge the monopoly of the foreign oil giants in the local fuel market by the establishment of its own stations to sell diesel and kerosene. The Economic Report of the Ministry of Finance for 1980–1981 showed that the export of Malaysia's

high quality crude oil had become the nation's top foreign exchange earner.⁶⁹ PETRONAS itself was also doing well. In the financial year ending in March 1978, for example, it made an accumulated net profit of M\$1,587 million.⁷⁰

Unfortunately, PETRONAS was also beginning to show subtle but unmistakable signs of lethargy. With the resignation of Tengku Razaleigh in 1976, the organization had not only lost a dynamic and influential chairman, but also the vigor and direction that characterized its operations in earlier years. This was reflected in a marked tendency to wait for instructions from the government rather than develop new policies or plan further expansion on its own initiative. The two most significant moves of PETRONAS after 1976—the implementation of the National Depletion Policy and the organization's expansion into the local retail market—were both carried out on the specific instructions of the Prime Minister.

The strength of PETRONAS had been based upon the fact that government policy was clearly aimed at using public enterprises to achieve national economic and social goals. But the NEP was very largely the creation of Tun Razak and his close associates. After his death it was only natural that the policy would come in for some adjustment and reevaluation; so too would the organizations he helped establish.⁷¹

The history of PETRONAS in the 1970s, therefore, was closely connected with the shifting power relations within the government itself. Not all members of the Malaysian cabinet were prepared to accept the drastic modifications to the free enterprise system that Tengku Razaleigh's policies seemed to imply. The dilemma of PETRONAS was that while the national interest obliged the organization to operate in ways that clearly brought it into conflict with the interests of the foreign oil companies, political and economic realities also made some form of accommodation or coexistence essential.

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NOTES

1. *Asiaweek*, June 22, 1979, p. 36.

2. *Malaysian Business*, December 1977, p. 4.

3. An impressive array of statutory bodies, ministerial departments, and special committees controlling various aspects of the petroleum industry meant that Thailand had no national oil company with powers comparable to those of the state oil corporations of the other ASEAN nations.

4. See R. S. Milne and Diane K. Mauzy, *Politics and Government in Malaysia* (Kuala Lumpur: Federal Publications, 1978), pp. 321–351.

5. In 1959 a United Nations report concluded that the prospects for finding commercial quantities of oil on the Malay Peninsula were "very remote." See "The Prospects for Petroleum in the Federation of Malaya," *Proceedings of the Symposium on the Development of Petroleum Resources in Asia and the Far East* (Bangkok: Economic Commission for Asia and the Far East), 1959.

6. M. Mainguy, "Regional Geology and Petroleum Prospects of the Marine Shelves of Eastern Asia," Committee for the Co-ordination of Joint Prospecting for Mineral Resources in Asian Offshore Areas, *Technical Bulletin*, No. 3, May 1970, p. 103.

7. *Economic Report 1973-1974* (Kuala Lumpur: Ministry of Finance), 1973, p. 17.

8. *Second Malaysia Plan 1971-75*, p. 173, para. 547.

9. *Economic Report 1974-1975*, p. 64. By the end of the decade, none of these projected developments had yet materialized. The most important result of the oil discoveries was rather a huge increase in government revenues.

10. *Malaysian Business*, p. 13.

11. *Business Times*, August 26, 1975.

12. *Straits Times*, June 17, 1972.

13. See *The Second Malaysia Plan 1971-75* (Kuala Lumpur: Government Printers), pp. 171-172, para. 540.

14. *Straits Times*, June 17, 1972.

15. *Malay Mail*, December 6, 1972.

16. *Petroleum Development Act*, Act 144 of 1974 (Kuala Lumpur: Government Printers).

17. *Straits Times*, January 8, 1975.

18. *Business Times*, February 24, 1978.

19. *New Straits Times*, June 6, 1976.

20. See Bruce Gale, *Politics and Public Enterprise in Malaysia* (Kuala Lumpur: Eastern Universities Press, 1981), Chapter IV.

21. *New Straits Times*, September 6, 1974.

22. See the interview with Tengku Razaleigh in *Malaysian Business*, December 1974, especially p. 19.

23. For a discussion of the problems of PERTAMINA, see Willard A. Hanna, "The Pertamina Perplexity" in *American Universities Field Staff Reports*, Southeast Asia Series, XXIV: 2, 1975.

24. *New Straits Times*, September 18, 1974.

25. Quoted in D. C. L. Wilson, "Prospects for MNC Investment in Malaysia," Malaysian Economic Association, Seminar on the MNC in Malaysia, November 1976 (mimeo).

26. *Singapore Trade and Industry*, Supplement on Oil, February 1976, pp. 7-9.

27. Oil fields controlled by Caltex produced about 70% of the nation's crude oil.

28. *Petroleum Development (Amendment) Act*, Act AZ90 of 1975 (Kuala Lumpur: Government Printers).

29. *Business Times*, August 26, 1975. In 1975 one U.S. dollar was equivalent to approximately \$2.58 Malaysian ringgit.

30. *Ibid.*

31. *Sunday Times*, June 1, 1975.

32. *New Straits Times*, January 27, 1975.

33. *New Straits Times*, November 11, 1975.

34. *New Straits Times*, July 29, 1976.

35. *Malay Mail*, September 28, 1974.

36. *Business Times*, October 2, 1976.

37. *Asian Wall Street Journal*, September 29, 1976.

38. *Business Times*, October 1, 1976.

39. For details of the agreement and a comparison with Tengku Razaleigh's original proposals, see "Malaysian Oil Pact Ushers in a New Era," *Far Eastern Economic Review*, December 10, 1976, pp. 44-45.

40. *New Straits Times*, December 17, 1976.

41. *Far Eastern Economic Review*, July 29, 1977, p. 62.

42. *Malaysian Industrial Digest*, Second Quarter, 1976, p. 1.

43. *Economic Report 1977-1978*, p. 183.

44. It was widely believed, for example, that the 1974 arrest of Annuar Ibrahim, an influential youth leader, was motivated more by his outspoken support for nationalization than his support of the student demonstrations of that year.

45. *Straits Times*, July 26, 1974.

46. *Straits Times*, July 19, 1974.

47. The campaign was led by Tan Sri Jaafar Albar and Datuk Senu and appeared to

have the support of another former Prime Minister, Tunku Abdul Rahman. Their targets included the Deputy Minister for Labour and Manpower, Encik Abdullah Majid (formerly Tun Razak's press secretary) and the Deputy Minister for Science, Technology and the Environment, Datuk Abdullah Ahmad (who once worked as political secretary to the Prime Minister).

48. See the statement on this issue by Deputy Prime Minister Dr. Mahathir, *New Straits Times*, December 9, 1976.

49. *New Straits Times*, April 13, 1977.

50. *Malay Mail*, January 21, 1977.

51. *Third Malaysia Plan* (Kuala Lumpur: Government Printers, 1976), p. 328, para. 1094.

52. *Economic Report 1977-1978*, p. 112.

53. *Asian Finance*, July 15, 1978, p. 48. To be fair it should perhaps be pointed out that the revised PETRONAS production estimates were partly due to better than expected results from the Esso (formerly Exxon) concession off the Trengganu coast in Peninsular Malaysia.

54. *Star*, June 27, 1979.

55. See the *Asean Business Quarterly*, First Quarter, 1980, p. 19. Also *Far Eastern Economic Review*, October 5, 1979, p. 103.

56. "Malaysia's Energy Supplies—Present and Future," Address by Tan Sri Abdullah Salleh, the Chairman and Chief Executive of PETRONAS, at the National Conference on Energy, Kuala Lumpur, August 21, 1980, pp. 2-3 (mimeo).

57. *Business Times*, December 29, 1980.

58. *Business Times*, November 2, 1977.

59. *Economic Report 1979-1980*, p. 123. Total oil production in June 1979 averaged 294,335 barrels per day.

60. "Esso's Secret Oil Production off Trengganu: \$1.2 Billion Oil Scandal in Malaysia," *The Rocket* (Official Organ of the Democratic Action Party), September 1980.

61. *Business Times*, October 4, 1977.

62. *National Echo*, December 13, 1980. PETRONAS, on the other hand, was sufficiently concerned about the allegations to announce several months later that it had decided to strengthen its capacity to monitor the amount of oil extracted. *Star*, February 17, 1981.

63. *Straits Times*, August 31, 1973.

64. *Business Times*, August 26, 1975.

65. *Business Times*, January 11, 1977. Olefines (or alkenes) are produced during the processing of crude oil and natural gas.

66. *Malaysian Business*, December 1976, p. 5.

67. *New Straits Times*, May 27, 1976.

68. *Malaysian Business*, December 1976, p. 5.

69. "Major Exports and Imports by Country," *Economic Report 1980-1981* (Kuala Lumpur: Ministry of Finance, 1980), pp. xviii-xix.

70. *Star*, November 17, 1978.

71. Important changes took place in several Malaysian public enterprises in the late 1970s. For a history of two such organizations closely connected with Tun Razak, see B. Gale, *Politics and Public Enterprise in Malaysia*, Chapter III on the Majlis Amanah Rakyat (MARA) and Chapter IV on the Urban Development Authority (UDA).

THE CULTURAL DIMENSION OF TAMIL SEPARATISM IN SRI LANKA

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THE YEARS SINCE SRI LANKA became independent have witnessed the gradual deterioration of relations between the island's most populous ethnic community, the predominantly Buddhist Sinhala folk, and its largest ethnic minority, the Ceylon Tamils, who are mainly Śaivite Hindus.¹ The Sinhalese, who comprise over seventy percent of the population, dominate in the verdant southwestern region of the island country, while the Ceylon Tamils, who comprise eleven percent, dwell in two regions, the arid Jaffna District of the extreme north and the eastern coastal littoral. The worsening relations between the Sinhala and the Ceylon Tamil communities, exemplified most recently in the communal riots and the Emergencies of June and August 1981, present us with a classic example of the conflict-ridden "new nation":² a country, established by Western colonial authority, whose recently independent administration must cope with a population deeply divided by cleavages of ethnic heritage, religious affiliation, language, and separate habitats. So profound and obdurate are these cleavages that the country's unity would seem tenuous at best.

Predictions of the demise of the Sri Lankan state in its present form have been fueled not a little by the growth of a stridently separatist movement in the Tamil community. The strength of the separatist movement is debated in Sri Lanka, the Sinhala-dominated government insisting that the movement has fewer adherents than separatists like to claim. However strong the separatist movement might be, it is clear that the separatist cause is encouraged by a widespread fear among Ceylon Tamils that continued Sinhala domination will eventually eradicate not only the civil rights of Ceylon Tamils, but also their unique cultural

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tradition. This essay examines the cultural dimension of Tamil separatism, and argues that the separatist drive is animated not only by concerns about Ceylon Tamil prospects in the Sinhala-dominated state but also by the profound pride that Ceylon Tamils take in their cultural tradition. That tradition, I wish to show, is seen by Ceylon Tamils to preserve ancient Tamil values and customs far better than the traditions of Tamils elsewhere, and for that reason there are few Ceylon Tamils indeed who do not feel at least some responsibility to protect it. And yet, for more than a few Ceylon Tamils, that pride is tinged with ambivalence. The tradition that Ceylon Tamils wish to preserve is redolent of the ancient patterns of caste and regional discrimination favoring the powerful and conservative Vellalar caste of Jaffna, a caste that has for centuries dominated the political and economic affairs of Tamil Sri Lanka. While Tamil separatists by no means aim to renew the ancient forms of Vellalar predominance, it is nonetheless true that the cultural conservatism that helps to justify the separatist drive is insidiously tied to the legacy of Vellalar domination. For those sections of the Tamil community concerned not only with Sinhala domination but also with social reform, the conservatism implicit in the cultural dimension of the separatist drive cannot fail to raise vexing questions about the role low caste and other marginal groups would play in a Vellalar-dominated state.

Tamil Separatism in Sri Lanka

The rise of mass political participation has played no small role in the worsening relations between the two communities and in the rise of Tamil separatism, for the electorate is overwhelmingly Sinhala in ethnic identity and Buddhist in religion.³ In consequence it has responded to political parties stressing issues of interest to Sinhalese Buddhists. Political movements addressing the nationalist and employment aspirations of Sinhalese Buddhists elected governments that, in 1956, created legislation establishing Sinhala as the country's "sole official language,"⁴ and, in 1972, wrote a new constitution mandating state protection and assistance for the Buddhist religion.⁵ During the past twenty years, the Tamil folk of Sri Lanka have increasingly come to fear that their civil rights and their culture face extinction in Sri Lanka. In May 1976, a coalition of Ceylon Tamil political parties, the Tamil United Liberation Front (TULF), issued a resolution charging that the Sinhala-dominated government of Sri Lanka, and particularly the Constitution of 1972, aimed to make the Tamils a "slave nation ruled by the new colonial master, the Sinhalese, who are using the power they have wrongly usurped to deprive the Tamil nation of its territory, language, citizenship, economic life, opportunities of employment and education thereby destroying all the attributes of nationhood of the Tamil people." The resolution called for the establishing of the "Free, Sovereign, Secular Socialist State of TAMIL

EELAM" to "safeguard the very existence of the Tamil nation in this

Studies of Tamil separatism show that bread-and-butter issues—employment in government service, access to university admissions, and problems in communicating with Sinhala-speaking government officials—have played a decisive role in the increasingly intransigent Tamil position. Ceylon Tamils complain bitterly of discrimination; job opportunities and university admissions for Tamils have been severely curtailed by government quotas, notwithstanding the high aspirations for jobs and education among the hard-pressed Tamil youth.⁷ Zeal for the separatist cause has reached its peak among the Liberation Tigers, a terrorist group allegedly composed of Tamil youths who could not be restrained by the older Tamil separatists. Spokesmen for the separatist cause insist that they hope for a negotiated, non-violent settlement, but the Liberation Tigers pursue their aims by slaying policemen and Tamil leaders who are seen to collaborate with the Sinhala-dominated government. The consequences of terrorist activities in Jaffna, real or rumored, have been disastrous in recent months. In June 1981, for instance, Tamils living in Sinhalese regions of the island were attacked after a policeman was shot by militant Tamil youths. Despite the danger that terrorist attacks on policemen would unleash mob violence on innocent Tamils dwelling in southern Sri Lanka, the assassinations continued. Communal tensions erupted again in August 1981, when Tamil-owned shops and tea stalls were looted and burned throughout the Sinhalese areas of the island. It is quite clear that among Tamil youths are persons who believe there is no future for themselves, nor indeed for any Tamil-speaking person, among the Sinhalese.

Bread-and-butter issues have clearly exacerbated the separatist drive, but it is also clear that there is a more fundamental issue that animates the separatist drive. Ceylon Tamils deem themselves to be a unique people, set apart in their customs and their heritage from the Tamil people of South India.⁸ What Ceylon Tamils fear is not just the continuing decline of economic opportunities, but also the eventual extinction of their culture, which they regard as unique. Ceylon Tamils, particularly those of the Jaffna Peninsula, see themselves as preserving—far more than the Tamil folk of mainland Tamilnadu—the very essence of Tamil civilization, and the separatist drive is fueled in part by the sense of responsibility that Ceylon Tamils feel to protect those ancient traditions.

Ceylon Tamils have not seriously considered unification with the Indian mainland, where many millions of Tamil speakers reside in the ancient heartland of their civilization. Believing that they have no real connections with the mainland, Ceylon Tamils have long insisted on their uniqueness. To explain this view, most scholars have depicted Ceylon Tamil culture as marginal to that of Tamil South India, since it is said to show distinctive patterns because of early Malabar (Kerala) migrations and long interaction with Sinhala people.⁹ The Malabar

influence is thought to be evident in Jaffna's systems of dowry and inheritance,¹⁰ but recent anthropological research has questioned that interpretation.¹¹ To be sure, there are aspects of Ceylon Tamil culture—costume and fence styles, to name two—that do indeed recall Kerala traditions,¹² and without doubt much in Ceylon Tamil culture is shared with the Sinhalese South.¹³ But to portray Ceylon Tamil culture as marginal to the South Indian tradition, as if it were poised in an interstitial zone between the centers of two civilizations,¹⁴ is to miss entirely the very nature of the Ceylon Tamil identity. Ceylon Tamils deem the mainland to have undergone such drastic social change that only they continue to adhere to the ancient patterns of social relations that constitute Tamil civilization. Among these patterns are the assiduous concern for female chastity, esteem for Brahmins and the generous support of Brahmin temple priests, and the equation of a region's excellence with that of its particular landholding caste.¹⁵

These patterns are indeed very old in Tamil civilization, and there is more than a grain of truth in the Ceylon Tamils' prideful claim that they preserve them best.¹⁶ Yet not all Ceylon Tamil regions preserve them with equal enthusiasm. On the whole, it is felt among Ceylon Tamils that the culture of the Jaffna Peninsula best preserves the ancient ways, and in consequence, it is in Jaffna that the sense of Tamil distinctiveness and the fear of cultural extinction is the greatest.¹⁷ Jaffna's extreme social and religious conservatism is well known to Ceylonese, who regard it as far and away the region of the island most addicted to tradition. East Coast Tamils and, especially, the Tamils of "Little Jaffna," the Tamil district of Colombo, are far less rigorous in their observance of the minutiae of custom. Now this is not to say that East Coast Tamils and Colombo Tamils are any less proud of the Ceylon Tamils' preservation of ancient Tamil ways; on the contrary, when asked whether those ways, such as the customs relevant to female chastity, are valuable, Ceylon Tamils are very likely to respond that these customs constitute civility itself, even if they do not observe them with the rigor characteristic of Jaffna.

The Ceylon Tamils' pride in their culture's preservation of tradition nonetheless carries with it, for not a few Ceylon Tamils, a certain ambivalence. While nearly all Ceylon Tamils believe that their tradition is worth preserving, and indeed must be defended at all costs, it is nonetheless true, as I wish to show, that its constitutive traits are very closely related to the continued predominance of a traditional form of domination, that wielded by the landholding caste of the Jaffna Peninsula. That caste, called Vellalar, exemplifies the Indian pattern of the decisively dominant caste, one that has through numerical predominance seized nearly complete control of a region's land, economy, political affairs, educational opportunities, and jobs. Jaffna is the only region of Tamil Sri Lanka that is so dominated, the other Tamil regions (such as the East Coast) being politically fragmented by contests between rival castes. In consequence of their decisive dominance in Jaffna and the availability of superior educational facilities there, which Vellalars have nearly monopolized, Vellalars have emerged all along as the

religious, political, and economic leaders not only of Jaffna but of the whole Ceylon Tamil community. The customs that Tamil separatists feel so much responsibility to preserve are ones that very few Ceylon Tamils reject, but at the same time they figure directly in the ideological and social foundations of Vellalar supremacy in the Jaffna Peninsula and refer, moreover, to Vellalar suzerainty in the most ancient form. That the rhetoric of the separatist drive is couched in the language of cultural preservation cannot fail, therefore, both to appeal to Ceylon Tamil pride and to raise concerns about the fate of non-Vellalar, Ceylon Tamil minorities, such as the East Coast Tamils and Jaffna's many Untouchables, in a state that doubtless would be controlled by Vellalar leaders. For those sections of the Ceylon Tamil community desiring not only freedom from Sinhala domination but also genuine social reform, the call for a separate Tamil state is at once animating and troubling.

Tamil Tradition in Sri Lanka

One of the most ancient and characteristic themes of Tamil culture is the enormous value placed on female chastity (*karpu*),¹⁸ a notion that entails a variety of customary patterns: absolute premarital chastity, chaperoning, female initiation rituals, and the construction of a house to serve as a fortress against the intrusion of strangers. The maintenance of a girl's honor is thought to be essential to the status of her family and caste.¹⁹ But the notion is also saturated with the deepest religious meaning. A woman is seen to possess a supernatural power; so long as she remains chaste, a virgin before marriage and a faithful wife later, she will bring to her family an ambience of fertility, power, good fortune, and joy.²⁰ As Jaffna Tamils of respectable caste rank understand their civilization, its great value was in discovering the truth of a woman's power, and in laying down the social and ritual rules (*muraiikal*) by which a happy, prosperous, and dignified life can be led.²¹

Implicit in these beliefs is the most profound anti-primitivism, or the conviction that the state of nature is miserable indeed. That state, which is for Jaffna Tamils epitomized by the Veddahs, Sri Lanka's aboriginal tribal people, is one of suffering brought on by ignorance. The failure to observe the ancient rules (*muraiikal*) opens families to a legion of hostile, supernatural forces, which destroy fertility, erase happiness, cause illnesses, and fuel animosities. The result of ignorance is, in the Jaffna Tamil view, hunger, sadness, sickness, and fighting, as well as a low level of civilization. The Veddahs, rather unsympathetically called "the fools of the jungle" (*kattu mirantikal*), are thought to be themselves responsible for their lowly state, and on that account are scorned.²²

Jaffna Tamils extend the equation of unchastity and uncivility to Sinhala people, who are likewise thought to exemplify the pitfalls of a more easygoing sexual life. In the Tamil view, Sinhala people appear to be very easily angered and potentially violent, a character trait that, in Tamil ethnophysiology, is thought to stem from a lack of sexual and

ritual diligence.²³ What is more, Jaffna Tamils believe very firmly that the other Tamil-speaking groups of the island—the Tamil-speaking Muslims, the so-called Indian Tamils of the central highlands, and the East Coast Tamils—are also less diligent than Jaffna Tamils in keeping up the ancient ways, and on this account Jaffna folk rank them lower and refuse to marry them. Because of their alleged lack of diligence in ritual, East Coast Muslims and Hindus alike are thought to have access to dark and polluting supernatural forces, and are greatly feared as sorcerers. A Jaffna Tamil travelling to the East Coast is advised to speak very courteously to everyone, lest he inspire anger and elicit a curse.

The Jaffna concern for female chastity and ritual diligence doubtless recalls the ancient values of Tamil culture, but it is probably true as well that the peninsula's unique history has played a role in affirming its contemporary importance. Jaffna was the center of a very concerted missionary effort, which in the nineteenth century threatened to overwhelm the Hindu religion with a tide of Christian conversions.²⁴ The missionaries, who were on the whole extremely puritanical and ethnocentric, sought to portray the Hindu religion as a depraved tradition of foul superstitions, sensual orgies, and obscene sculptures. Appropriating their viewpoint and reinterpreting it in line with Tamil notions, the Hindu reformers, led by their champion, Arumuka Navalar (1833–1870), tried to reassert the value of Hinduism by cleansing Jaffna customs of the alleged obscenities (e.g., dancing girls at temple festivals) and elevating to a supreme status the value and rites of female chastity.²⁵

Few Ceylon Tamils dispute the religious value attached to chastity, for that value has become irretrievably tied to the polemic defense of all that is glorious and ancient in Śaivism. And yet it is also true that the value plays a crucial role in the near-supremacy of the Vellalar caste in Jaffna ranking. Vellalars advertise the virtue of their women with stout, fenced houses and a remarkable variety of rites, all aimed at sustaining a woman's power. But to claim a high rank on these grounds requires no small wealth, not only to build the houses and sponsor the rites, but also to dispense with the earning power of women outside the home. Because Vellalars control virtually all of the peninsula's land, jobs, educational opportunities, political offices, and foreign exchange remittances,²⁶ many of the poorest castes are hardly able to sustain the appearance of chastity, which they themselves esteem. The association of unchastity and lowered status is clearly shown in the beliefs about the Veddahs, and indeed Vellalars liken the so-called Minority Tamils, the two Untouchable laboring castes (Nalavar and Pallar), to jungle folk. The association is driven home in everyday economic activity, for Vellalars prefer to hire Untouchable women in their rice fields and for gathering fodder, thus ensuring the common Jaffna vista of unchaperoned Untouchable women walking about in public. The chastity value is disputed by no one, but it is nonetheless a value tinged with the reality of Vellalar domination.²⁷

Another theme of Jaffna culture with ancient roots in Tamil civili-

zation is the alliance of Vellalars with Brahmans (temple priests). So characteristic is this theme of the Tamil way that South Indian historians portray it as a hallmark trait of the last millenium.²⁸ The alliance, as it has been understood, permits Vellalars—a caste whose status in orthodox Hindu terms should not be all that high—to achieve (by virtue of the entitlement they receive from Brahman-sponsored rituals) a very high rank indeed.²⁹ In Jaffna, Vellalars still accord to Brahmans the deference they traditionally received in South India.³⁰ And it is precisely on this account that Jaffna Tamils hold themselves apart from Tamils elsewhere, both in Sri Lanka and in India. The East Coast region was never dominated by Vellalars, but rather by Mukkuvars, who do not appear to have emphasized the Brahman alliance pattern.³¹ Recent decades of South Indian history have witnessed the rise of a virulent anti-Brahman movement,³² whose motivations and meaning have remained virtually incomprehensible to Jaffna Tamils.³³ Seeing themselves surrounded, on the one hand, by other Ceylon Tamil groups that never emphasized the alliance, and on the other hand, by South Indian Tamils who seem to have abandoned it, Jaffna Tamils have convinced themselves that only they maintain this old Tamil custom.

Few Ceylon Tamils dispute the value of the Brahman's high position, or what is more, the religious conservatism that it entails. It is, nonetheless, a value saturated once again with the reality and the traditions of Vellalar domination. Vellalars support Brahmans, and in return receive from them, in public rituals, sanctified gifts that establish the Vellalars in the eyes of the village community as persons saturated with good fortune, the capacity to manage agrarian reproduction, and the right to command the services of non-Vellalar castes. In no small measure as a result of their traditional, ritual relation with Brahmans, Jaffna Vellalars regard themselves as the masters of Jaffna, believing that the other castes lived there at their sufferance and for their convenience. They view the traditional social system of Jaffna as similar to the European medieval system, with Vellalars as the feudal chieftans surrounded by their slaves and retainers.³⁴ These beliefs about the status of Vellalars are widespread even today in the more conservative, rural sections of the Vellalar community, as Michael Banks found in the early 1950s. Vellalars, he discovered, tend to suppose that "the whole social system [of Jaffna] is centred and focused on Vellalars."³⁵ To be sure, there are many Vellalars, including the predominantly liberal leadership of the Ceylon Tamil political parties, who genuinely favor social reform to end caste-based discrimination, but Jaffna is without doubt the one region of Sri Lanka where the old, hierarchical ideology of caste relations is still very widespread. To preserve the status of Brahmans, then, is a laudable goal that few Ceylon Tamils, even of the more liberal persuasion, can reject, and yet the customs of the Brahman-Vellalar ritual relation figure very prominently in the aristocratic demeanor of Vellalars. In short, the value placed on Brahmans and their temples is certainly one of the hallmarks of Ceylon Tamil

pride and cultural distinction, but it is, once again, a value that inevitably raises the issue of Vellalar domination. Would Vellalars, having helped to create a nation that preserves their ideals, conceive themselves as entitled to dominate its affairs?

There is yet another aspect of Ceylon Tamil identity that serves not to unite Ceylon Tamils but rather to divide Jaffna from the East Coast region. Recent studies of Tamil ethnogeography have shown that in traditional South India the most important unit of subcultural identity was the *natu*, or province. While there is a rather vague notion of a Tamil area civilization *tamilakam*, it is the *natu* that is seen as the more significant territorial unit for the purposes of political affiliation and identity.³⁶ Very often the *natu* is defined socially in terms of its long-standing association with a particular large, agricultural caste, which rules the hinterland by virtue of an ancient, royal title.³⁷ The *natu* is judged to take on not only its cultural distinctiveness but also its overall moral quality from the diligence and traditionalism of its dominant, farming group.³⁸ The notion that many Jaffna Tamils have of their cultural distinctiveness is very closely tied to their idea of Jaffna as a single *natu*, the ancient realm of the Vellalars. In contrast, the Batticaloa region is deemed, both in Jaffna and in Batticaloa, as the realm not of Vellalars but of Mukkuvars. The Mukkuvar ideal, as already suggested, is at variance (at least traditionally) with that of the Vellalars, and is long associated with Batticaloa's political autonomy under the jurisdiction, in precolonial times, of its Mukkuvar chieftans (Vanniyar).³⁹

It was not the Mukkuvar regime but rather one very nearly controlled by Vellalars that Tamil separatists have in mind when they refer to the "*restoration and reconstitution*" (my emphasis) of the Tamil state of Eelam. That state, which prevailed in the Jaffna Peninsula from about the thirteenth century until its demise at the hands of Portuguese intrigue in 1618, was ruled from Nallur by its kings, Ariyaccakkiravartis, who were of South Indian, and doubtless of *ksatriya*, or royal, descent.⁴⁰ And yet, to a considerable extent, the state was controlled by Vellalars, who deemed themselves to possess the right to bestow the king's crown.⁴¹ Moreover, no king could rule Jaffna without the consent of his Vellalar chieftans.⁴² It is not too far from the mark to say that the Jaffna regime, buttressed and controlled by Vellalar power, was in fact aimed at supporting Vellalar interests—in particular, Vellalar interest in the labor of the castes that were, by mandate of state law, obliged to serve their Vellalar masters.⁴³ Jaffna Vellalars, moreover, remember the kingdom as "the golden age when Vellalars ruled all."⁴⁴ To refer, then, to the reconstitution and restoration of the precolonial state, this time including the East Coast, is to refer at once to a proud past and also to the spectre that Vellalars would once again dominate its affairs. There is the implied threat that the East Coast region would be denied its traditional autonomy under a Jaffna-controlled state whose many Vellalar citizens deem Batticaloa Tamils to be of inferior status.

Far less appealing is the idea of Tamil Eelam to Jaffna's Untoucha-

bles, who comprise about one-fourth of the Jaffna Peninsula's population.⁴⁵ Untouchable political leaders have complained that the Ceylon Tamil political parties, which are overwhelmingly dominated by Vellalars, pay only lip service to the ideals of social reform.⁴⁶ Upon the rise of the separatist fervor, Jaffna was still reeling from a serious and violent confrontation between Untouchables, who sought the privileges (such as temple entry) that were guaranteed them under the 1957 Social Disabilities Act,⁴⁷ and conservative Vellalars, who were prepared to use force to maintain their supremacy.⁴⁸ Throughout the confrontation, the Tamil political leaders maintained their liberal positions,⁴⁹ which is alleged to have cost them some support among conservative Vellalars.⁵⁰ In any case, the confrontation was followed in 1971 by legislation mandating jail terms for offenders under the 1957 Act,⁵¹ and by extension, because of fear of prosecution, temple entry and other privileges to Untouchables throughout the peninsula. The separatist controversy has, however, entirely distracted conservative Vellalar attention from the social reform issue, and may have played a role in restoring solid Vellalar support to the Tamil United Liberation Front (TULF), whose liberal Vellalar leadership favors social reform.⁵² However that might be, the real gains in social reform have been achieved, not by TULF rhetoric, but rather by the active intervention of the Colombo regime in Jaffna caste relations. Recently, Ranasinghe Premadasa, the Sinhalese Prime Minister, drove home this point while on a visit to Jaffna by opening a model village for Untouchables in one of Jaffna's most caste-conscious areas.⁵³ A separate state would end that intervention and on that account the TULF platform doubtless appeals very much to the most conservative portion of the Vellalar community. The TULF, to be sure, maintains its liberal stance, and there is every indication that the laws of the new state would proclaim Untouchable rights. But the question that is uppermost in the minds of minority Tamils is whether, in an independent Tamil state, those liberal ideals and their implementation could withstand the considerable political pressure against reform that conservative Vellalars would doubtless exert.

Conclusion

The cultural dimension of Ceylon Tamil separatism is, in conclusion, fraught with notions of identity that at once celebrate Ceylon Tamil cultural distinctiveness and raise the specter that conservative Jaffna Vellalars might dominate the independent state. It is possible, to be sure, to speak of the Ceylon Tamil identity in terms that encompass all Ceylon Tamils, for very few of them dispute the religious conservatism and traditionalism shown in the esteem for female chastity, for Brahmans, and for the legacy of the precolonial Jaffna state. And yet these values are redolent of the religious and political foundations of Vellalar domination. The TULF leadership, to be sure, has taken steps to allay the suspicion that a separatist victory would be little more than a Vellalar victory. But the problem nonetheless remains that the cultural

dimension of Tamil separatism, which celebrates the cultural distinction of Ceylon Tamils on grounds of their religious and political conservatism, is hardly likely to carry an immediate appeal to those sections of the Tamil community who desire social reform and regional autonomy, even in the face of the manifold inequities that all Tamil folk conceive themselves to suffer under the Sinhala-dominated regime. What remains to be seen is whether the ambivalence reform-minded Ceylon Tamils feel about the separatist cause will continue to outweigh the ominous trends towards violence and toward geographic polarization as members of the two communities find it increasingly impossible to live and to work outside of their own community's home regions. The bitterness left in the wake of communal riots like those that marred the summers of 1977 and 1981 may encourage even the ambivalent to embrace a campaign for the partition of Sri Lanka.

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NOTES

1. The Ceylon Tamils, an indigenous minority in Sri Lanka, are to be distinguished from the so-called Indian Tamils, a community of tea plantation workers of fairly recent origins in migrations stemming from South India. The Ceylon Tamils have dwelt for at least seven hundred years, and perhaps as much as one millenium, in their homelands in the Northern and Eastern Provinces. They do not intermarry, and indeed carry on very few connections of any sort, with the central highland dwelling Indian Tamils. The citizenship of the Indian Tamils has been a matter of negotiation between India and Sri Lanka in recent years; agreements reached stipulate that some of the Indian Tamils are to be repatriated to South India while others are to be given Sri Lanka citizenship, but implementation of the agreement has been slow. Lacking citizenship and therefore franchise, the Indian Tamils have played only the most insignificant role in the political context of Sinhala-Tamil rivalry.

2. See Clifford Geertz, "The Integrative Revolution: Primordial Sentiments and Civil Politics in the New States," in his (ed.) *Old Societies and New States* (New York: Free Press, 1963), pp. 105-157; and Robert N. Kearney, *Communalism and Language in the Politics of Ceylon* (Durham: Duke University Press, 1967).

3. Robert N. Kearney, *The Politics of Ceylon* [Sri Lanka] (Ithaca: Cornell University Press, 1973), p. 143.

4. Kearney, *Communalism and Language*, p. 82.

5. Robert N. Kearney, "Language and the Rise of Tamil Separatism in Sri Lanka," *Asian Survey*, XVIII (May 1978), p. 529.

6. *Ibid.*, p. 532. See also W. I. Siriweera, "Recent Developments in Sinhala-Tamil Relations," *Asian Survey*, XX (September 1980), pp. 903-913.

7. Kearney, "Language and the Rise of Tamil Separatism," pp. 526-528.

8. S. Arasaratnam, "Nationalism, Communalism, and National Unity in Ceylon," in Philip Mason (ed.), *India and Ceylon: Unity and Diversity* (London: Oxford University Press, 1967), p. 272; Kearney, *Politics of Ceylon*, pp. 163-164.

9. Kearney, *Communalism and Language*, pp. 11-12; Arasaratnam, "Nationalism, Communalism, and National Unity," p. 272; Michael Banks, "Caste in Jaffna," in E. R. Leach (ed.), *Aspects of Caste in South India, Ceylon, and North-West Pakistan*, Cambridge Papers in Social Anthropology, 2 (Cambridge: Cambridge University Press, 1960), p. 61.

10. M. D. Raghavan, *Tamil Culture in Ceylon: A General Introduction* (Colombo: Kalai Nilayam Ltd., n.d.), pp. 199-217; V. Coomaraswamy, "Thesawalami; or the Customary Law of Jaffna," *Hindu Organ* (June 19, 1933), and his "Thesawalami and Marumakkal

Thayam Law of Malabar," *Hindu Organ* (October 23, 1933); the latter two are cited in Michael Banks, *The Social Organization of the Jaffna Tamils of North Ceylon, With Special Reference to Kinship, Marriage, and Inheritance* (Cambridge University Ph.D. dissertation, 1957), pp. 267-277.

11. *Ibid.*

12. As summarized in Raghavan, *Tamil Culture in Ceylon*, pp. 202-210.

13. Banks, *Social Organization of the Jaffna Tamils*, pp. 31ff; S. J. Tambiah, "Dowry, Bridewealth, and the Property Rights of Women in South Asia," in J. Goody and S. J. Tambiah (eds.), *Bridewealth and Dowry*, Cambridge Studies in Social Anthropology No. 7 (Cambridge: Cambridge University Press, 1973), pp. 126-127.

14. As does Banks, *Social Organization of the Jaffna Tamils*, p. 32.

15. On the enduring patterns of Tamil civilization, see George L. Hart, III, *The Poems of Ancient Tamil: Their Milieu and Their Sanskrit Counterparts* (Berkeley: University of California Press, 1975); David Dean Shulman, *Tamil Temple Myths: Sacrifice and Divine Marriage in the South Indian Saiva Tradition* (Princeton: Princeton University Press, 1980); and Burton Stein, *Peasant State and Society in Medieval South India* (Delhi: Oxford University Press, 1980).

16. This point is explored in my monograph, *Caste in Tamil Culture: The Religious Foundations of Śudra Domination in Tamil Sri Lanka*, which is currently under editorial review.

17. Research on Jaffna Tamil ethnic attitudes was carried out in Jaffna in 1974-1975 using the "Ethnocentrism Field Manual" questionnaire in Robert A. Levine and Donald T. Campbell, *Ethnocentrism: Theories of Conflict, Ethnic Attitudes, and Group Behavior* (New York: John Wiley and Sons, 1972), pp. 245-296. This research was part of a wider study on the role of the Kataragama pilgrimage in Tamil-Sinhala relations (see B. Pfaffenberger, "The Kataragama Pilgrimage: Hindu-Buddhist Interaction and Its Significance in Sri Lanka's Polyethnic Social System," *Journal of Asian Studies*, XXXVIII (February 1979), pp. 253-270).

18. George L. Hart, III, "Woman and the Sacred in Ancient Tamil Natu," *Journal of Asian Studies*, XXXII (February 1973), pp. 233-250; Brenda G. F. Beck, "The Kin Nucleus in Tamil Folklore," in Thomas R. Trautmann (ed.), *Kinship and History in South Asia*, Michigan Papers on South and Southeast Asia No. 7 (Ann Arbor: Center for South and Southeast Asia Studies, University of Michigan, 1974), pp. 3-9; see also George L. Hart, III, "Some Aspects of Kinship in Ancient Tamil Literature," in Trautmann, *Kinship and History*, p. 39.

19. Nur Yalman, "On the Purity of Women in the Castes of Ceylon and Malabar," *Journal of the Royal Anthropological Institute*, XCIII (January-June 1963), pp. 25-58.

20. B. Pfaffenberger, "Social Communication in Dravidian Ritual," *Journal of Anthropological Research*, XXXVI (Summer, 1980), p. 209; George L. Hart, III, *The Poems of Ancient Tamil: Their Milieu and Their Sanskrit Counterparts* (Berkeley: University of California Press, 1975), pp. 93-119; David Dean Shulman, *Tamil Temple Myths: Sacrifice and Divine Marriage in the South Indian Saiva Tradition* (Princeton: Princeton University Press, 1979), p. 140 *et passim*.

21. B. Pfaffenberger, "Social Communication in Dravidian Ritual," p. 209.

22. *Ibid.*

23. Tamil folk, in common with Hindus generally, do not readily distinguish between biological and moral states. See Wendy Doniger O'Flaherty, *The Problem of Evil in Hindu Mythology* (Berkeley: University of California Press, 1976), pp. 6-7.

24. S. Thananjayarajasingham, *The Educational Activities of Arumuga Navalar* (Colombo: Sri La Sri Arumuga Navalar Sabai, 1974), pp. 1-10; K. Arumainayagam, "Protestant Missionaries [sic] Initiative," *Tribune* (Colombo) (May 29, 1976), pp. 19-21.

25. Banks, *Social Organization of the Jaffna Tamils*, pp. 69-70.

26. *Ibid.*, p. 333; Kearney, *Politics of Ceylon*, p. 188, and his *Communalism and Language*, p. 99.

27. See Kenneth David, "Hidden Powers: Cultural and Socio-Economic Accounts of Jaffna Women," in Susan S. Wadley (ed.), *The Powers of Tamil Women* (Syracuse: Maxwell School of Citizenship and Public Affairs, Foreign and Comparative Studies Monograph No. 6, 1980), pp. 93-136.

28. Burton Stein, "Brahman and Peasant in Early South Indian History," *Adyar*

Library Bulletin, XXXI-XXXII (1967-1968), pp. 229-269; see also David Ludden, "Ecological Zones and the Cultural Economy of Irrigation in Southern Tamilnadu," *South Asia: Journal of South Asian Studies*, n.s., I (March 1978), pp. 5ff.

29. Arjun Appadurai and Carol A. Breckenridge, "The South Indian Temple: Authority, Honour, and Redistribution," *Contributions to Indian Sociology*, n.s., X (1976), pp. 195ff; Ludden, "Ecological Zones," pp. 6-8.

30. This point has not yet been recognized, for Brahmans are neither numerous nor politically influential in Jaffna. On this account Nyrop, for example, distinguishes northern Sri Lanka's caste system from that of India. See Richard F. Nyrop et al., *Area Handbook for Ceylon* (Washington: U.S. Government Printing Office, 1971), p. 107. Yet, as Louis Dumont has persuasively argued, what makes an area's caste system quintessentially Hindu is not that the richest caste is often the highest caste, but that even where Brahmans are poor and powerless they are nonetheless esteemed as superior. See his *Homo Hierarchicus: The Caste System and Its Implications*, M. Sainsbury (trans.), (Chicago: University of Chicago Press, 1970), pp. 75-79. That this is indeed the case in Jaffna is amply evident from several studies. See Banks, "Caste in Jaffna," pp. 66-69, and Kenneth David, "And Never the Twain Shall Meet? Mediating the Structural Approaches to Caste Ranking," in Harry M. Buck and Glenn E. Yocum, *Structural Approaches to South India Studies* (Chambersburg, Penn.: Wilson Books, 1974), p. 47, fig. 6.

31. On the East Coast Tamils, see Dennis McGilvrarty, "Caste and Matriclan Structure in Sri Lanka: A Preliminary Report on Fieldwork in Akkaraipattu," *Modern Ceylon Studies*, IV (1973), pp. 5-20.

32. On the anti-Brahman movements of South India, see Robert L. Hargrave, Jr., *The Dravidian Movement* (Bombay: Popular Prakashan, 1965).

33. Banks, "Caste in Jaffna," p. 69.

34. A. M. Hocart, *Caste: A Comparative Study* (New York: Russell and Russell, 1950), p. 7.

35. Banks, "Caste in Jaffna," p. 71.

36. Burton Stein, "Circulation and the Historical Geography of Tamil Country," *Journal of Asian Studies*, XXXVII (November 1977), pp. 15ff.

37. Brenda G. F. Beck, "Centers and Boundaries of Regional Caste Systems," in Carol A. Smith (ed.), *Regional Analysis* (New York: Academic Press, 1976), pp. 255ff.

38. Stein, "Circulation and Historical Geography of Tamil Country," p. 24; Brenda E. F. Beck, *Peasant Society in Kōñku: A Study of Right and Left Subcastes in South India* (Vancouver: University of British Columbia Press, 1972), pp. 32ff.

39. Dennis McGilvrarty, "Mukkuvar Vannimai: Tamil Caste and Matriclan Ideology in Batticaloa" (unpublished manuscript), pp. 22-23.

40. See, on the Jaffna kingdom, Banks, *Social Organization of the Jaffna Tamils*, pp. 18-30 and 419-447; K. Indrapala, "Early Tamil Settlements in Ceylon," *Journal of the Ceylon Branch of the Royal Asiatic Society*, n.s., VIII (1969), pp. 43-63; and S. Pathmanathan, *The Kingdom of Jaffna, Part I (Circa A.D. 1250-1450)*, (Colombo: Arul Rajendran, 1978).

41. Pathmanathan, *Kingdom of Jaffna*, p. 185; A. Mootoothamby Pillai (trans.), "Kallaya Malai," *Ceylon National Review* (January 1907), pp. 281-282. This right was indeed a cornerstone of the traditional Vellalar identity in South India. See E. Thurston, *Castes and Tribes of South India* (Madras: Government Press, 1909), VII, pp. 363-364.

42. This point is evident from events narrated in P. E. Pieris, *Ceylon: The Portuguese Era, Being a History of the Island for the Period 1505-1658* (Colombo: Colombo Apothecaries, 1914), II, pp. 118ff. A king's Vellalar chiefs were only too ready to depose him if his rule did not suit their interests. Cf. the interpretation of Banks, *Social Organization of the Jaffna Tamils*, pp. 435-437, who in my view overstates the role of royal (at the expense of Vellalar) power in the precolonial kingdom. It is difficult, for instance, to reconcile Banks' conclusion that it was not easy "to raise an army of retainers against the centre" (pp. 436-437) with Pieris' account of Jaffna's endemic rebellions, in which Vellalars evidently conspired with Indian princes to install more partial nominees on the throne.

43. *Ibid.*, pp. 419-447.

44. Banks, "Caste in Jaffna," p. 71.

45. Kearney, *Politics of Ceylon*, p. 189.

46. Kearney, *Communalism and Language*, pp. 100-101.

47. Kearny, *Politics of Ceylon*, p. 189.
48. *Ibid.*, p. 190.
49. *Ibid.*, p. 117.
50. *Ibid.*, p. 190.
51. Nihal Jayawickrama, *Human Rights in Sri Lanka* (Colombo: Ministry of Justice, 1976), p. 72.
52. Siriweera, "Recent Developments in Sinhala-Tamil Relations," p. 904.
53. *Far Eastern Economic Review*, February 13, 1981, p. 34.

CHINA AND AFGHANISTAN

Gerald Segal

AFGHANISTAN BORDERS ON FOUR COUNTRIES, but strategic analysts of the contemporary Afghan crisis have only discussed in detail three of these frontiers: those with the USSR, Pakistan, and Iran. What of the fourth, with the People's Republic of China (PRC)? How does Beijing perceive the events in Afghanistan and how important is China to the continuing crisis between the USSR and Afghanistan?

In the 19th century's "Great Game," control of the Pamir Knot was a crucial concern. The Pamir mountain range, where the Chinese, Russian, and British empires intersected, was the focus of intense great power maneuvers and, in Owen Lattimore's words, was "the pivot of Asia." Today the Soviet Union, China, Afghanistan, Pakistan, and India are all drawn into this same knot against a background of the Indo-Pakistan dispute over Jammu and Kashmir, Sino-Indian and Sino-Soviet border quarrels, and now a Soviet invasion of Afghanistan. China has been a major power in the area in the past, but how important is it at present?

The Historical Legacy

The historical background of a crisis is not always illuminating, but in this case it does seem particularly appropriate.¹ By the late 19th century it was increasingly clear to both the Russian and British empires that their mutual suspicions of territorial aggrandizement in central Asia would have to be controlled in a more determined fashion than was previously the case. To that end, in 1873 an Anglo-Russian agreement (Granville-Gortchakov) delimited the border by extending Afghan territory in a narrow strip eastward. However, the two diplomats failed to draw the line sufficiently eastward to meet the Chinese frontier and for the next 20 years the "Great Game" focused on how to keep the peace in the area. By 1877 the Chinese empire had returned to take an active interest in the area by putting down the British-backed rebellion of Yakub Beg in Xinjiang. The British then attempted to get China to extend its power westward as far as Somtash (near Lake Victoria), a spot

that would agree with traditional Chinese claims in the area and, more importantly, close the Granville-Gortchakov gap. Chinese efforts to assert control in these more western Pamirs were defeated by Afghan and Russian forces, and it became clear that China could only hold a line as far west as Taghdumbash. While clearly desiring greater influence, the lack of Chinese capability and more pressing problems elsewhere in a beleaguered China meant that its power in the area would remain ambiguous. (See map, p. 1169.)

Frontier delimitation was to be settled without China's participation. In November 1893 the Durand mission to Kabul agreed to extend the Afghan border in a narrow strip eastward so as to separate British India from Russia. The strip, called the Wakhan corridor, was a geographical oddity with no demographic logic, but with a strong great power political motive. In the March 1895 Anglo-Russian Pamirs agreement, the corridor was accepted by all the states concerned except China. Nevertheless, in practice China now had a border with Afghanistan (at Taghdumbash) where previously it did not.

The British continued to try to get China to play a more forceful role in containing the Russian empire, but China was unable or unwilling to do so. The Taghdumbash line was not accepted by the Chinese. However, the Chinese defeat at the hands of the Japanese in 1894–1895 also made it plain that the Chinese empire had more pressing strategic concerns that took precedence over helping Britain control the Russians.

China's lack of real interest in Afghanistan is all the more evident when considering that in the May 1884 Novi-Margelan protocol of the February 1881 Sino-Russian border pact of St. Petersburg, China accepted a boundary that ran due south of the Uzbek pass to Lake Victoria in the Wakhan corridor. The subsequent Anglo-Russian pact of 1895 ignored this boundary, but China barely reacted to a treaty that shifted its western border to the east.

The pattern of Sino-Afghan relations in the 20th century continued to be ambiguous. While historic trade routes passed either north or south of the Wakhan corridor, little but opium, horses, or a few farm products crossed the Sino-Afghan border. Even in the early 20th century there was little evidence of specific traditional political relationships between China and Afghanistan. In the 1920s an abortive Afghan attempt to exert influence in Xinjiang was in part a Soviet effort to dislodge British and Chinese power. However, during the uncertainties of the warlord period in China (1930s), the Afghans supported various versions of an Islamic Republic of Eastern Turkestan that rose up against a Soviet-dominated local government in Xinjiang. This rapid change of alignments in the area also provides no clear historical legacy.

This is especially true when looking at related border issues. Following Indian and Pakistani independence in 1947, the instabilities of the frontier were carried on by different actors. Sino-Indian border disputes erupted in border hostilities in 1962. On the other hand, the westernmost frontier linking China to Afghanistan was not challenged, especially since the inheritor of that portion of the British empire was

Pakistan, not India. Delhi claimed that Pakistan had no legal border with China because its occupation of the northern portion of Kashmir was unlawful. Nevertheless, Rawalpindi signed a border pact with China in 1963 that accepted, after minor modifications, China's westernmost frontier. Later in the same year Afghanistan itself confirmed the line at the watershed of the Taghdumbash despite an uncertain historical tradition. If China had abided by the 1884 protocol it had signed with Russia, Beijing should have claimed a border on the north as well as the east of the Wakhan corridor. China's implicit acceptance of the unequal treaties with Russia indicated its ambivalence about the border area. Anglo-Russian imperial activities were thereby accepted as reality, even though several foreign powers, including the U.S., still does not recognize that part of the frontier as being properly delimited.²

On June 16, 1981, Afghanistan and the USSR signed a border pact legalizing "the existing guarded boundary" covering the portion of the Wakhan corridor comprising the Granville-Gortchakov gap (from east of Lake Victoria to the Chinese border).³ This effective seal on the Great Game, following the Soviet invasion of Afghanistan in 1979, drew no Chinese comment. Indeed, at that time a *People's Daily* summary of a major article on Sino-Soviet frontier relations mentioned other disputed border areas but not this one. It added that Chinese maps indicating claims are drawn on the basis of accepting unequal treaties (although not Soviet occupation beyond the treaty lines) and no current Chinese maps indicate territorial claims in this area.⁴ Thus China's own actions seem to indicate that from its point of view the frontier is not a crucial one, or at least that China lacks the ability to do anything about the unequal treaties.

On the other hand, in a different part of the western border, China's attitude has been more forthright. While India and Pakistan disputed Kashmir, and India and China fought over territory in the Aksai Chin, Beijing built a major strategic highway across the Aksai Chin linking Tibet and Xinjiang. The road was eventually connected to the Karakoram pass from China into Pakistan-held Kashmir.

In sum, major historical conflicts, contemporary border disputes, and strategic issues all come together in this Pamir knot. It is an area previous Chinese regimes have accorded less than paramount national priority even in the face of a Russian or British threat, but it is also an area that Beijing sees as worth retaining if it can. What is more, it is a zone where the prestige of powers has been seen to be at stake, even if the actual territory concerned is regarded as being of less than critical importance. Thus, from the historical background it is unclear whether contemporary China would view its border with Afghanistan to be of important strategic value, or just symbolic. A review of the course of Communist Chinese policy towards Afghanistan before 1979 may help reveal the answer.

China and Afghanistan Before 1980

Prior to 1979, China's Afghan frontier was virtually the PRC's only border not to have been the location of some kind of conflict since the founding of the state in 1949. However, this peaceful course seemed to have more to do with the area's relative insignificance rather than China's pacific tendency. Despite Afghanistan's recognition of China as early as January 1950, Beijing did not take up the offer to establish diplomatic relations for a full five years. Although Kabul consistently voted for the seating of Beijing at the United Nations, it was nearly the last state bordering on the PRC with which China exchanged diplomatic relations (Nepal later in 1955, Laos in 1962). In 1957 the Afghan and Chinese premiers exchanged visits, but Kabul leaned to the Soviet Union's disapproving view of Beijing's growing radicalism in foreign relations. When Khrushchev visited Eisenhower at Camp David in 1959, the Afghans approved, but the Chinese clearly did not. Even more significant in the Pamir context was China's lack of approval of Afghan claims against Pakistan regarding Pushtunistan. The USSR, on the other hand, supported Kabul.⁵ Much like the Chinese accusations against the Soviets for failing to support China against India in a territorial dispute, Beijing's lack of support for the Afghan case was a major error in Kabul's eyes.

Yet bilateral relations remained basically positive despite growing difficulties as a result of the Sino-Soviet rift.⁶ Limited trade pacts, a 1960 treaty of friendship and non-aggression, and above all the November 1963 border agreement (including demarcation in 1964) were all signs that good relations had been preserved between the two states—especially since the 47 mile border had never been previously officially marked.

Chinese pressure in the 1960s on third states to take a stand on the Sino-Soviet dispute left Afghanistan clearly on the Soviet side. While Moscow was unable to obtain Kabul's acceptance for collective security schemes directed primarily against China, Beijing could not have been pleased with its increasingly unfriendly neighbor in the Pamirs. However, Afghanistan's "active neutrality" was abandoned in April 1978 when a pro-Soviet coup installed a regime willing to sign a twenty-year friendship pact with Moscow that included provisions for collective defense. In December 1979 when the USSR invaded Afghanistan, one of the stated excuses was the Chinese threat to the Afghan regime. While the specific accusation is unlikely to have been true, what was clear was China's evident "loss of Afghanistan." Until the 1979 intervention, Beijing did not appear greatly bothered by the issue of Afghanistan, but the question now is whether China's tendency to minimize Kabul's strategic importance has changed since the invasion. An answer to that question requires an analysis of China's actual dispositions in the area, as well as its declaratory policy.

Western Xinjiang in Chinese Defense Policy

The Chinese side of the frontier with Afghanistan is formed by the Xinjiang Autonomous Region. This forbidding and relatively barren territory was formerly known as Chinese Turkestan, and the new Chinese name, Xinjiang, means "new dominion"—an accurate reflection of Beijing's tenuous hold on the reigns of power. The area lies across the path of the famed silk route from Rome to China and traditionally has shown high resistance to Chinese control, even during periods of relatively strong central leadership.

The total population of Xinjiang is roughly ten million, of which the Uighur minority forms a plurality.⁷ Despite clear attempts at colonization, the Uighurs have remained an identifiable group and are probably the most troublesome of the PRC's national minorities. Other nationalities in the area include a half million Kazakhs, 134,000 Hui, and 14,000 Tajiks. The lower levels of the local Chinese government reflect these different minority groups. Many areas are merely Chinese versions of the USSR minority republics across the border. This is the case with the Taxkorgan Tajik Autonomous Hsien that lies along both the Afghan border and the Tedzhik Soviet Republic. The Hsien has a population of a mere 15,000, 80% of which are Sarikol Tajiks. The local capital is at Taxkorgan, a town of 3,000 that is the westernmost urban center in China. It is notable that the Hsien suffered large-scale population migration across the border into the USSR in the 1960s, much like other Xinjiang minority areas. The overwhelmingly Sunni Moslem population maintains its religious affiliation, as do their brethren in the neighboring Soviet Republic, and this is a further source of unrest. Clearly this remains an unreliable and unstable Chinese frontier.

The immediate Chinese hinterland around the Afghan border is also of little apparent strategic value for Beijing. There are virtually no major natural resources except for minor coal deposits in north Xinjiang, limited oil production near Kashi (Kashgar), and traces of uranium deposits near the Soviet frontier west of Kashi. There is no industry to speak of and agriculture is of a minimal, pastoral kind. The largest town in the area, Kashi, has a population of about 200,000.

China's relatively insignificant strategic concern with the area is mirrored by the lines of communication. There are no rail lines anywhere nearby and the nearest route from Urumqi does not reach even half way to Kashi. It is eventually intended to follow a path around the Taklimakan desert, but its construction is a painstakingly slow affair. The only significant airport is at Kashi and it is frequently closed because of inclement weather. There is one major road that runs southwest from Urumqi to Kashi and then winds around the rim of the Taklimakan desert through oasis towns such as Hotan, well away from the Afghan border. The road continues along the northern slopes of the Karakoram range via Shiquanhe and Xigaze to Lhasa. This impressive engineering feat includes a spur to the Karakoram pass into Pakistani-held Kashmir and another that cuts across the Aksai Chin taken by China from India in 1962. But as with most roads in the area,

this one is frequently impassable because of snow, shifting sand, or flash floods. The closest roads to the Afghan frontier are from Kashi westward to the Soviet border, a gravel road to the Pakistani border from Taxkorgan via the Khunjerab pass, and a caravan trail from Shache (Yarkand) into the Wakhan corridor. This last route has apparently been closed since the 1950s. Despite the existence of a Sino-Afghan border, there is no contact through it and little movement in the vicinity. Even if China should want to reinforce its position in the area, it appears to lack any real option, especially in the short term.

Beijing also seems to lack a military option in the Afghan border area. The frontier is part of the North Xinjiang military district of the Urumqi military region. The entire region contains a mere six infantry divisions and eight local force divisions. The military districts in the region were redrawn in January 1979 when the East Xinjiang district was created out of the northern district, probably to improve the PLA's ability to deal with what was already a vast and difficult area to control. The region has not been seen as crucial enough to prevent it from being included in the 1980 shift of regional commanders. The present commander, Xiao Quanfu, was promoted from his previous post as deputy-commander of the Shenyang region. The real power in the area appears to be held by Wang Feng, the Xinjiang First Party Secretary who has also been the First Political Commissar of the military region since January 1978. Wang is a moderate on nationality policy, but since he replaced Saifudin, a Uighur, Wang's moderation is unlikely to preempt any unrest among the minorities. Except for the presence of the nuclear testing site at Lop Nor, deep inside the military region (and far from Afghanistan), this remains a less than frontline military appointment in comparison to other border areas. Even the recently discussed Sino-American listening post for Soviet missile tests in Xinjiang is likely to be in the northern section of the region away from Afghanistan. The preservation of stability in this area is a concern for Beijing, but the territory is apparently not seen as crucial strategically as, for example, the more eastern portions of the China-USSR frontier.

While large portions of the Xinjiang border are considered by China to be illegally held by the USSR, this is not true of the westernmost portion that connects with China's Afghan frontier. The ridge of peaks in this area, as with Taghdumbash near Afghanistan, provides a natural frontier. There has been some instability across the border in Soviet Kirgizia, including the assassination of the local premier, but there is little or no evidence of any cross-border connection. At the time of the unrest in the adjacent area of the USSR in late 1980, the Chinese were also showing renewed interest in nationality problems on their side of the border. However, the Chinese concern seemed to be about local nationality problems rather than a direct link with the USSR.

If there is any portion of the Xinjiang military frontier that has particular strategic implications, it is the southern sector bordering on Kashmir. Although it is beyond the scope of this analysis, it must be

remembered that China has been to war over the Aksai Chin portion of the Karakoram range. What is more, the territory is in dispute between India and Pakistan, since they both have occupied portions of Kashmir. It is also important to note that the new Chinese highway linking China and Pakistan enters Kashmir a few miles inside the Pakistani line of occupation. Beijing appears to have calculated that because of the strategic importance of a ground link to Pakistan, and despite the apparent vulnerability of the road, the construction of the highway was worth the vast expense.

The Sino-Pakistani frontier (also Sino-Indian and Sino-Vietnam) is a striking contrast to the apparent low Chinese profile on the Afghan border. While one might wish to suggest that China is not terribly concerned about actual frontiers, military clashes over the Indian, Vietnamese, and Soviet borders indicate otherwise. It seems more likely that China simply does not see itself as having an important strategic border with Afghanistan, or even with the USSR in this area. Despite similarities in geography to areas where China has been previously engaged, Beijing's reaction to border threats, let alone political issues concerning the USSR and Afghanistan, appears to be minimal. This may be due to the PLA's inability to deploy significant forces in this area, but similar conditions did not prevent China from engaging India in 1962 in the Aksai Chin. The minimal Chinese reaction may also be due to the inevitability of a direct clash with Soviet forces in the event of hostilities. But this has not necessarily deterred China in the past. In sum, it seems clear that China does not see events in Afghanistan as necessitating a Chinese reaction along the frontier itself. The question remains whether this conclusion is supported by China's declaratory policy on Afghanistan and what response Beijing has offered to the invasion of a neighbor by the USSR.

China's Declaratory Policy

It has now been more than a year since the Soviet invasion of Afghanistan, but it is very difficult to trace a consistent and coherent policy in Beijing. There are various strands of policy that appear to be inconsistent. A question mark hangs over the extent to which China perceives the Soviet action in Afghanistan as a threat to its own national security, as a threat to the region, or as part of a global threat.

National Security: Few statements can be found to substantiate the view that Beijing sees the Afghan events as a direct threat to Chinese security, although there were some scattered references in the first two weeks after the Soviet invasion. On December 31, 1979, the Soviet ambassador was told by the Chinese Ministry of Foreign Affairs that "Afghanistan is China's neighbour . . . and therefore the Soviet armed invasion of that country poses a threat to China's security. This cannot but arouse the grave concern of the Chinese People."⁸ No such strong linkage has been repeated by a Chinese official in what appears to be an

attempt to minimize direct Chinese involvement with Afghanistan. Similar attitudes were taken in that initial fortnight, but not afterwards. For example, on January 5, 1980, the Chinese Islamic Association declared that because of close ties to the Afghan people, "We will never tolerate the Soviet hegemonist invasion of our neighbour," and on January 10, Deputy Defense Minister Su Yu said China "would firmly stand by the Afghan people."⁹ The more cautious Chinese line became apparent later in January when Foreign Minister Huang Hua visited Pakistan and told Afghan refugees merely of Chinese "support" for the struggle and promised aid only "to relieve their suffering."¹⁰ Pakistani reports that Huang said China felt threatened by the invasion were not picked up by the Chinese media.¹¹

Further evidence of China's perceived link to specific events in Afghanistan can be found in comments on the extent of guerrilla resistance in the Badakhshan province (including Wakhan) of Afghanistan bordering on China. At least one map in the *Beijing Review* showed resistance in this area to be higher, but other maps showed precisely the opposite and were confirmed by most Western reports on the question.¹² The only specific comment on the Wakhan area by China did note the PRC's border, but minimized the threat posed to China by the military activity. The report cited comments in the Pakistani press that Soviet action in the area was aimed at "obtaining a strategic edge over Pakistan and China" but also quoted another Pakistani statement that included an assessment that only Pakistan's security was gravely imperiled. In February 1981 further Chinese comment on Wakhan assumed nearly precisely the same line of argument, stressing the threat to Pakistan and with vague allusions to China's role. The citation of the area as an historically "important east-west passage" or the fact that China is now separated from Afghanistan did not alter the essential view that the threat was to Pakistan's security.¹³ Thus it is possible to find some statements indicating a degree of direct linkage of Afghan events to Chinese security, but they are by no means a major aspect of Chinese policy. Even Soviet comments support this view since few of their reports mention Badakhshan or the Chinese frontier. For its part, *Xinhua* vehemently denied reports of Chinese training for guerrillas who were then said to have "crossed into Afghanistan."¹⁴ China's caution may also be due to its inability to aid Pakistan if it should be in part responsible for worsening Pakistan-Soviet relations.

In addition, it is important to note that few aspects of Sino-Soviet relations have been directly linked to the Afghan events. This is especially true of border issues. For example, there have been various reports of border incidents with the USSR, some of which have been in Xinjiang, but none have concerned the western sector near the Afghan frontier.¹⁵ Furthermore, only one statement has been found that assumes a more direct linkage of the Sino-Soviet frontier conflict and Afghanistan. In a year-end roundup on USSR-PRC ties, the Soviet menace was said to exist on the Soviet, Mongol, and Vietnam frontiers. "Moreover, it [USSR] has sent its troops to invade Afghanistan, which

also has a common frontier with China."¹⁶ This was strikingly similar to Deng Xiaoping's statement on November 15, 1980 that "In seeking hegemony against China, the Soviet Union has not only stationed 1,000,000 troops along the Sino-Soviet border, but has dispatched troops to invade Afghanistan." Deng saw this action as aimed in part against China.¹⁷ While China's attitude is clearly not uniform, the overwhelming evidence suggests minimal concern with aspects of the Sino-Afghan frontier as it relates to the Soviet Union. It is also notable that China did not suspend its governmental talks with the Soviet Union until January 20, 1980 and in March the same year the river navigation talks were held as scheduled. In late January, barely a month after the invasion, the newly appointed Chinese ambassador took up his post in Moscow.¹⁸

This trend of playing down problems on its western border is also seen in Chinese comment on the various nationalities along the frontier. The wide coverage given to these issues in the Chinese press, including the reprinting of a major speech in 1957 by Zhou Enlai on nationalities, barely mentioned foreign policy aspects of any sort.¹⁹ There was no direct reference to Afghan events, perhaps a notable omission considering the importance of nationality issues in these sensitive frontier areas. The same conclusion can be drawn from reports of the Xinjiang Party Congress in December 1980.²⁰

Various Chinese leaders have visited the Xinjiang area since the Soviet invasion but few comments can be found on any foreign policy issue and none about Afghanistan. In April-July 1980, Regional Military Commander Xiao Quanguo toured the area,²¹ in June First Party Secretary Wang Fei did the same,²² and in May Chairman Hua stopped off as well.²³ The most extensive tour of Xinjiang was by Politburo member Wang Zhen who came in October 1980 and then again in January 1981. Wang Zhen was Xinjiang's first leader after liberation and probably is unique among the present leadership in his first-hand experience of local problems. While Wang did not visit the portion of the region nearest Afghanistan, his remarks had a greater foreign policy content than those of any other visitor. He spoke of nationality problems fomented by the USSR and the "very important strategic position" of northwest Xinjiang. He also vaguely alluded to Afghanistan on October 16 when mentioning the threat to the "west gate of the motherland."²⁴ These few remarks, which begin to link Afghanistan closer to Chinese national security, previewed the more explicit remarks made by Deng Xiaoping in November. But as with Deng's comments, they are salient because they are out of keeping with the generally minimal reference to specific Chinese security concerns in the rest of the Chinese press.

Regional Aspects: Perhaps the most prevalent Chinese line on the Afghan crisis is the emphasis on regional aspects of the threat. While Beijing clearly rejects the assessment that the problem is merely regional, Chinese statements do emphasize such aspects far more than

global ones, let alone those related to Chinese national security. The most common phrase to appear in official statements is that the invasion "poses a threat to peace and security in Asia and the whole world." Some officials say it is a "serious" threat and some call it "grave," but most link regional and global components in one sentence.²⁵ The real difference only becomes apparent later on in the statements when one aspect tends to be emphasized more than others.

According to China the order of priority for places threatened in the region is Pakistan, Iran, South Asia as a whole, and then the Gulf area as a whole. In keeping with this approach, the Chinese emphasize the threat posed to Afghanistan itself. This is evident in Hua Guofeng's interview on April 21, 1980 when he noted that there were three options for the future in the wake of the invasion of Afghanistan. First, the Soviet Union could withdraw from Afghanistan. Second, the Soviet Union could move against Iran and Pakistan. Third, the Soviet Union could remain and occupy Afghanistan while pursuing a "peace offensive." According to Hua, there "is a slim" possibility of option two, but option three is most likely.²⁶

China's reporting of the guerrillas' struggle has been consistent, making frequent reference to claims of military success. Beijing's overarching conceptual approach to the combat is through the prism of the people's war strategy. The Soviets are said to be bogged down in a quagmire of hit-and-run combat that will eventually wear down an enemy that is spread out and whose logistics lines are vulnerable. While acknowledging the splits in the guerrilla movements, China claims the heterogeneous parts are coming together while its enemy in Kabul and Moscow is disintegrating.²⁷ By mid-1981 some Chinese were less optimistic as reports indicated a deterioration in the unity of the rebel forces.²⁸ In March 1980 the Chinese had formulated three basic principles regarding the Afghan crisis, all of which reinforce the military assessment: (1) there must be an unconditional Soviet withdrawal; (2) support should be given to the guerrillas since "this support cannot be regarded as interference in the internal affairs of Afghanistan"; and (3) the Afghans should be left to sort out their own problems.²⁹ Despite the obvious contradictions in those three points, the Chinese urged all states to abide by them. The attitude in Beijing was generally optimistic that the "struggle of the Afghan people" can put an end to the Soviet intervention.³⁰ But by mid-1981 China's view had once again become less consistent. Premier Zhao Ziyang on a South Asian tour in June 1981 for the first time expressed qualified support for Pakistan's attempts to obtain a political settlement, although he added that the Afghan problem "mainly depends" on Afghan resistance. Thus China's view of Afghanistan seems somewhat confused.³¹

To the extent that China is concerned about Iran and Pakistan, the emphasis is much more on the latter state.³² This is no doubt derived from the status of Pakistan as a main ally of China, and the fact that at least some PRC arms reach the guerrillas via Pakistan. The pattern of Chinese political and military delegations visiting Rawalpindi indicates

high level concern. The taking of Baluchistan from Pakistan in the Soviet drive to the warm waters of the Indian Ocean is often cited as a main threat.³³ A very "special relationship" is said to exist between China and Pakistan in all spheres including the military. Xiao Ke led one PLA delegation to Pakistan and declared,

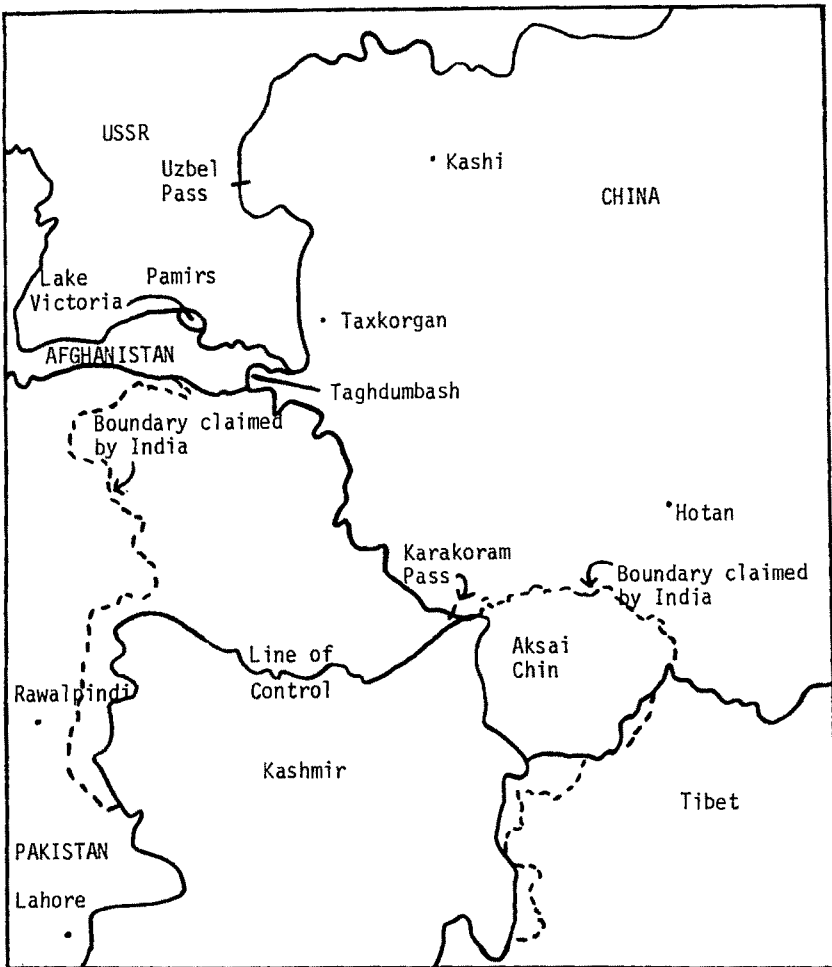
The Chinese people and the PLA firmly stand on the side of Pakistan which is under direct threat of Soviet aggression and expansion and resolutely support the Pakistani people and army in their just struggle for safeguarding their state sovereignty and territorial integrity.³⁴

Other areas of the region, especially Iran, India, and the Gulf states, are also said to be under threat,³⁵ but Pakistan stands out as the most menaced from a Chinese perspective. While Beijing may insist that it takes a global attitude toward the invasion of Afghanistan, the regional aspects of such an alleged global posture clearly predominate. This often appears in an article only after a section suggesting that the only way to attack Europe is via vulnerable flanks such as South Asia and the Gulf. The analysts then go on to detail the threat to Asian states in the front line, and Pakistan is generally foremost among them.³⁶

The Global Aspects: Part of the apparent ambivalence in the Chinese attitude towards the invasion of Afghanistan stems from Beijing's repeated reference to the view that "acts of Soviet expansionism must be assessed from a strategic point of view. To stop its aggressive moves in a given country or region is to upset its global strategic dispositions. Only in this way can world peace be saved."³⁷ A *Xinhua* commentator nearly a year later took the same view when he said that Afghanistan is part of a global conflict and is a "materialization of its [Soviet] global strategy."³⁸

As was noted in the previous section, this globalist argument is not predominant in China, but is none the less prevalent. What is clear is that Beijing sees the invasion as more than a threat to China; indeed, the national security aspect is minimized.³⁹ Chinese commentators speak of outflanking maneuvers against Western Europe, the linking of the Indian Ocean and the Pacific in a so-called dumb-bell strategy, and the attempts to sever U.S. oil supplies, all as part of the objectives of the Soviet invasion.⁴⁰ Clearly this is also a component of China's global attempts to contain the USSR and to that end Beijing decries "appeasement" of Moscow. Afghanistan is said to raise "issues concerning the entire situation of global struggle and actions of a long-premeditated strategic offensive." Since they represent a strategic challenge, they call for a strategic response.⁴¹

Some of these globalist statements even suggest that the invasion of Afghanistan is not very important in the larger scheme of Soviet policy. One *People's Daily* commentator placed Asia as Moscow's secondary goal. "In a word, while the stress of Soviet development is still in Europe, the tendency now is to adjust and strengthen Soviet deployment in Asia."⁴² By the spring of 1980 Afghanistan seemed to obtain



even less coverage than events in Southeast Asia. Summaries of the year's events in both 1979 and 1980 generally placed the invasion of Afghanistan well down the list of important occurrences.⁴³

The *People's Daily* commentator concluded on a more positive note when it was suggested that the USSR "is very ambitious, but it is not up to it. It has far flung fronts, making it impossible to gain in one place without losing in another." This optimistic line is in keeping with the upbeat tone noted in the case of the Afghan guerrillas' anti-Soviet struggle. But, as has already been noted, there are important differences in China's attitude on this and other issues. Not all observers are optimists and there is little unity as to the locus of conflict. Thus basic questions are raised about the coherence and strategy of Chinese foreign policy.

Why the Ambivalence of Chinese Policy?

The traditional methods of explaining inconsistencies in policy, such as factional politics or attitudes aimed at different audiences, do not explain Chinese policy toward Afghanistan. There is no simple pattern of certain leaders taking a globalist or regionalist line, since many have assumed both positions over the past year. Neither is it possible to determine a pattern, for example, of globalist statements to Westerners and regional arguments to Asians or Pakistanis. While there are examples of such an attitude, equally there are statements that disprove such a simple judgement.⁴⁴ An answer must be sought elsewhere.

Although it is unfashionable in sinological circles to suggest it, the main explanation seems to lie simply in the overall confused state of Chinese foreign policy. The overarching concept of "the theory of three worlds"⁴⁵ has long since been ignored by Chinese leaders and nothing nearly as coherent has taken its place. This is not necessarily to suggest that there is a new strategic debate taking place in China (although it is possible), but rather that different views do seem to be voiced at the same time, and they are more than merely alternate sides of the same coin. When the globalists argue that Afghanistan "is not merely a regional problem" they also (at least implicitly) are speaking to their own regionalists. These kinds of differences can be retained in one group of leaders without erupting in cut-throat factional politics, and may also be related to the more general uncertainty in Chinese domestic politics. Whatever the case, the different views may be tolerated primarily because there is simply less consensus on a new foreign policy doctrine to replace that of "the three worlds." By early 1981, there had not emerged a new foreign policy framework, but there clearly were signs of a search for one.

For example, on January 2, 1981, a new conceptualization was offered in the *People's Daily* by Zhang Mingyang, a deputy director of the Research Institute on International Problems.⁴⁶ The article, entitled "Multipolarization of the World and Unity Against Hegemony" essentially argued that the world is a terribly complex place and because of the new trend towards multipolarization, the "pattern of unity against hegemony is very complicated." The author noted signs of both growing unity and disunity against the USSR and admits that trends in world politics will not be in "a straight line." The method of coping with such uncertainty seems to be caution, for as Zhang declared, "In the face of such a complicated and changeable situation, we should also conduct meticulous observation, analysis and study."

There are numerous other signs of basic changes in China's foreign policy attitudes, but with little indication of where they are leading. Most importantly there was the gradual abandonment of the doctrine of the "inevitability of war." In various declarations in the last quarter of 1980, Chinese abandoned one of the cornerstones of their world view when they announced that war could be prevented if there was unity against the USSR.⁴⁷

There are also clear signs of China's changing strategic defense posture in the last year. The new emphasis on nuclear capability, the minimizing of ground forces, and the general low profile taken on conventional military spending all indicate changing priorities.⁴⁸ The repeated cutbacks in PLA spending are only part of this trend, which may well be related to the tendency outlined above to minimize China's national security concerns regarding Afghanistan. Indeed the changes in strategic doctrine emphasize regional and especially global aspects of China's foreign policy. The ambivalence in regional foreign policy is also acute in the Southeast Asian region as China struggles with its policy towards Kampuchea and guerrilla movements in ASEAN states.⁴⁹ The apparent moderation in China's attitude towards both in late 1980 and early 1981 indicates changing Chinese priorities without a clear idea of the overall pattern of foreign policy.

There has also been some evidence that the ambivalence in Chinese policy results from a debate as to the proper balance between coastal defense and land border defense.⁵⁰ In a strikingly allegorical article referring to debates in the Qing dynasty regarding spending on coastal defense or the Xinjiang border and the Russian challenge, the author clearly favored the latter argument. The article argued that even though there are cutbacks in defense spending, the threat in the West is so great that a response must be made. The comparison to the present situation is remarkable and mirrors the national security dilemmas China has traditionally faced in Xinjiang. The author concluded by denying that the cost of Western frontier defense is too great, or that "borders are useless" or "the loss outweighs the gain" or "our army will surely be defeated." It is more than likely that the Qing dynasty's debate is relevant to present policy regarding Xinjiang and Afghanistan, and in part explains China's ambivalent attitude.

This article about the Qing dynasty is in fact merely one of a series revealing aspects of foreign policy differences in China. The latest one, in the *Guangming Daily* of May 25, 1981, denounced Li Hongxhang's "national betrayal and capitulation" to the West. The author did not suggest that no contact with the West should be maintained, but rather that it had to be more in keeping with patriotic duty.⁵¹ Thus the Sino-American ties and the failure to pursue the patriotic cause of Taiwan is probably a crucial part of the foreign policy debate. These scattered pieces of evidence begin to fit into a pattern suggesting uncertainty in China as to how to handle superpower relations.

In Sino-Soviet relations, two broad groups, one optimistic and another pessimistic, can be seen on various issues facing China such as whether the Soviet Union is a threat to China, whether it is a growing power, and whether a superpower war is inevitable. These differences would help explain the disparities in China's Afghan policy, for it seems that there is no foreign policy consensus in Beijing. For example, an April 7, 1981, *Xinhua* commentary suggested that although Soviet power had increased, it was not superior to that of the United States. An article in the *People's Daily* about the same time took a similarly optimistic line regarding the problems faced by the USSR in Asia in general.

Several articles in the *Beijing Review* in April, May, and June 1981 struck a more pessimistic tone as did a special commentator in the *People's Daily* in May, but the new magazine *Observation Post* (produced by the central committee's secretariat) upheld the optimists' line.⁵² This latter view also tends to be associated in the press with the assessment that war is no longer inevitable in the modern world. It is interesting to note that Hu Yaobang, Huang Hua, and in June 1981 even Deng Xiaoping had assumed this position.⁵³ The optimists' tendency to minimize the Soviet threat may indicate a possible Chinese shift away from the U.S. option in the great power triangle.⁵⁴

In sum, the ambivalence in Chinese policy towards the Afghan problem, both in past history and present strategic and declaratory positions, should not be surprising. Beijing has traditionally been uncertain about its role in the westernmost portion of China and continues to be so in the present. Uncertainty in contemporary policy is due to both an objectively difficult strategic position in Xinjiang as well as basic ambivalence in general foreign policy. This is not to say that China is irrational or dangerous regarding Afghanistan and the USSR, but it is clearly cautious and confused.

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NOTES

1. Historical background for this section is drawn from G. J. Alder, *British India's Northern Frontier 1965-95* (London: Longmans, 1963); Lars-Erik Nyman, *Great Britain and Chinese, Russian and Japanese Interests in Sinkiang 1918-1934* (Malmo, Sweden: Scandinavian University Books, 1977); Alastair Lamb, *The China-India Border* (London: Oxford University Press, 1964); Tai Sung An, *The Sino-Soviet Territorial Dispute* (Philadelphia: Westminster Press, 1973).

2. United States Department of State, *International Boundary Study: China-USSR*, No. 64 (revised), February 13, 1978.

3. British Broadcasting Corporation, *Summary of World Broadcasts (Soviet Union)*, 6752ff.

4. Li Huichuan, "Where Does the Crux of the Sino-Soviet Border Talks Lie?" in *International Affairs Research*, July 1, 1981, summarized in the *People's Daily*, June 17, 1981. British Broadcasting Corporation, *Summary of World Broadcasts (Far East)* (henceforth SWB), 6753/A2/1-6. One possible exception of the maps indicating an accepted border appeared in *Beijing Review* (henceforth BR), No. 12, March 23, 1981.

5. For basic details, see Harvey Smith et al., *Area Handbook for Afghanistan*, 4th ed. (Washington, D.C.: USGPO, 1973).

6. Rosemary Foot, "Sino-Soviet Rivalry in Kabul," *The Round Table*, No. 280, October 1980.

7. Basic geographic and demographic detail are drawn from a number of sources. See especially T. R. Tregear, *China: A Geographical Survey* (London: Hodder and Stoughton, 1980); Theodore Shabad, *China's Changing Map* (London: Methuen, 1972); Jan Myrdal, *The Silk Road* (London: Gollancz, 1980); Donald McMillen, *Chinese Communist Power and Policy in Xinjiang 1949-1977* (Boulder, Colorado: Westview Press, 1979).

8. Vice Minister of Foreign Affairs Zhang Haifeng, BR, No. 1, January 7, 1980, p. 3.

9. Islamic Association, *Xinhua*, January 6, 1980. Su Yu to the International Military Sports Council in Beijing, cited in *Daily Telegraph* (London), January 10, 1980.

10. Huang Hua's visit, January 18-23, 1980, *BR*, No. 5, February 4, 1980, p. 4.

11. AFP and Pakistani papers on January 20, 1980, *SWB*, 6324/A3/1; also January 22, 1980 in *SWB*, 6327/A3/1.

12. Map in *BR*, No. 28, July 14, 1980. Compare it to one in No. 12, March 24, 1980. For Western comment see *The Economist*, July 6, 1980.

13. *BR*, No. 48, December 1, 1980. See also the report including Indian Press comment and an inaccurate review of the history of the area in *BR*, No. 7, February 16, 1981. This is also evident in the *People's Daily* of January 15, 1981 in *SWB*, 6635/C1/2 and a letter to the editor of *Beijing Review*, No. 11, March 16, 1981.

14. See, for example, Moscow Home Service, August 10, 1980 in *SWB*, 6459/C/2; *Xinhua*, January 23, 1980 in *SWB*, 6330/C/4 and *Xinhua* Commentator on January 4, 1981 in *SWB*, 6615/A2/1. The USSR does, however, strongly denounce Chinese aid to the guerrillas via Pakistan. See Gerald Segal, "The Soviet Union and the Triangle," in Gerald Segal (ed.), *The China Factor* (London: Croom Helm, forthcoming).

15. Tacheng County, Xinjiang in *Xinhua*, May 1, 1980, *SWB*, 6411/A2/1; also Inner Mongolia in *BR*, No. 41, October 13, 1980.

16. Guo Ji, International Editor, *BR*, No. 3, January 19, 1981.

17. *Christian Science Monitor*, November 15, 1980. *SWB*, 6585/A1/2.

18. Details in "Quarterly Chronicle," *The China Quarterly*, No. 82, June 1980. See also note 4.

19. Various reports including *BR*, No. 9, March 3, 1980, and No. 34, August 25, 1980; *SWB*, 6398/B11/6-13.

20. Reports in *SWB*, 6605/C.

21. Reports in *SWB*, 6489/B11/9. See also a PLA meeting, February 2, 1980 in Xinjiang that commented on Vietnam and India but not Afghanistan. *SWB*, 6339/B11/1-3.

22. Report in *SWB*, 6447/B11/6-9. *Xinhua*, July 7, 1980 in *SWB*, 6467/B11/1 and *Xinhua*, July 9, 1980 in *SWB*, 6471/C/2-5.

23. May 10, 1980 on his way back from Tito's funeral. *SWB*, 6419/B11/1.

24. On Wang Zhen's visits, see *SWB*, 6544/B11/4, 6546/B11/3-4, 6549/B11/1, and especially his article of October 16, 1980 in *People's Daily* in *SWB*, 6554/B11/1-3. In 1981, see *Xinhua*, January 20 & 21 in *SWB*, 6631/B11/7-9.

25. For example, PRC Government Statement, December 30, 1979, and *People's Daily*, December 31, 1979, both in *SWB*, 6307/C1/1; also statements in early January by Xu Xiangqian in *BR*, No. 2, January 14, 1980; Deng Xiaoping on January 6, 1980 in *SWB*, 6313/C1/3-4; Huang Hua in Pakistan in January 1980, *BR*, No. 5, February 4, 1980; Deng on November 15, 1980 in *SWB*, 6585/A1/1.

26. Hua to Japanese journalists quoted in *SWB*, 6402/C1/1.

27. For example, *BR*, No. 6, February 11, 1980; No. 9, March 3, 1980; No. 12, March 24, 1980; No. 16, April 21, 1980. *Xinhua* commentary, April 11, 1980 in *SWB*, 6395/C1. Gui Tongchang in *People's Daily*, June 25, 1980 in No. 6459/C1. *People's Daily*, August 16, 1980 in *SWB*, 6504/A2/3. Also *BR*, No. 1, January 5, 1981.

28. *Xinhua*, April 11, 1981 in *SWB*, 6700.

29. Hua Guofeng, March 9, 1980 in *Xinhua*, March 10, 1980. Li Xianian, March 10, 1980 in *BR*, No. 11, March 17, 1980. *People's Daily* Observer, March 15, 1980 in *SWB*, 6372/C1-2.

30. See *People's Daily* commentator series in January 1980: *SWB*, 6327/A2/1-2; 6328/A2/1-2; 6329/A2/1-2; 6332/A2/2-3.

31. Zhao Ziyang on June 3, 1981 in *SWB*, 6740.

32. For example, Yu Pang in *BR*, No. 2, January 14, 1980 and No. 3, January 21, 1980. Also *People's Daily* Observer, January 14 in *Xinhua*, January 16, 1980; *Xinhua*, April 9 in *SWB*, 6392/C1; *Xinhua* comment by Gu Ping on January 19, 1981 in *SWB*, 6620/A2/1.

33. For example, *People's Daily* commentator in *BR*, No. 10, March 10, 1980.

34. Xiao Ke, March 16, 1980 in *SWB*, 6372/A3/1-2. See also remarks by President Zia on March 17 in *SWB*, 6373/A3/1; Zia's interview with *BR*, No. 45, November 10, 1980; and Zia's trip to China on March 2-6, 1980 in *BR*, No. 19, May 12, 1980.

35. For example, Huang Hua, January 3, 1980 in *SWB*, 6311/C2/1.

36. Recent examples are found in *BR*, No. 12, March 23, 1981 and No. 20, May 18, 1981, and Qi Ya and Zhou Jirong, *People's Daily*, May 20, 1981 in *SWB*, 6730. This uncertainty is discussed in a wider context by Jonathan Pollack, "Chinese Global Strategy and Soviet Power," *Problems of Communism*, 30:1, January-February 1981.

37. *People's Daily* commentaries in January 1980: *SWB*, 6327/A2/1-2; 6328/A2/1-2; 6329/A2/1-2; 6332/A2/2-3.

38. Chen Si on December 19, 1980 in *SWB*, 6607/A1/1.

39. See section 4.1 above as well as Guo Ji's assessment in *BR*, No. 3, January 19, 1981.

40. For example, Yu Pang in *BR*, No. 4, January 28, 1980. Xinhua commentator on the "dumb-bell strategy" in *BR*, No. 8, February 25, 1980. *People's Daily* Observer, June 19, 1980 in *BR*, No. 26, June 30, 1980. Xinhua commentary, June 18 in *SWB*, 6450/A2/1. *People's Daily* commentator, June 21, 1980 in *SWB*, 6453/A1/1.

41. Xinhua on July 9, 1980 in *SWB*, 6471/C2-5.

42. Special Commentator, January 10, 1980 in *BR*, No. 4, January 28, 1980. Also *People's Daily* Observer, January 15, 1980 in *SWB*, 6321/A2/1-3.

43. *BR*, No. 2, January 14, 1980. Hua Guofeng in Japan in May 1980. *BR*, No. 24, June 16, 1980 and *SWB*, 6432/A3/1-4. 1980 list in *BR*, No. 1, January 5, 1981. Also Xinhua comment by Gu Ping on January 19, 1981 in *SWB*, 6620/A2/1.

44. The most obvious contradictions are contained in the writings of *BR*'s correspondent Yu Pang in his various articles already cited for 1980. Compare also Deng Xiaoping's remarks on January 6, 1980 and November 15, 1980. Also Wang Zhen in his various statements in Xinjiang in October 1980. On the matter of audiences, some of the most specific globalist arguments were made in domestic Xinhua comments. For example, Xinhua, July 9 and April 4 or Chen Si on December 19, 1980.

45. *BR*, No. 17, 1981, made a brief reference to the theory but in other comments on Mao's foreign policy the theory has not been mentioned at all. See the author's "Quarterly Chronicle," *China Quarterly*, No. 87, September 1981.

46. Reprinted in full in *SWB*, 6618/A1/1.

47. For details, see the author's "Quarterly Chronicle," *China Quarterly*, No. 85, March 1981.

48. For details of these changes on the nuclear level, see Gerald Segal, "China's Nuclear Posture for the 1980's," *Survival*, 23:1, January/February 1981. On the conventional level, see Gerald Segal, "China's Strategic Posture and the Great Power Triangle," *Pacific Affairs*, Winter 1980-81.

49. For details, see the author's "Quarterly Chronicle," *China Quarterly*, No. 85, March 1981. Also, *International Herald Tribune*, February 2, 1981 and *Times* (London), February 2, 1981.

50. Yang Dongliang, "A Tentative Analysis of the 'Debate on Coastal Defence versus Land Border Defence,'" *Guangming Daily*, February 10, 1981. *SWB*, 6666/16-20.

51. *SWB*, 6748.

52. See for details in "Quarterly Chronicle," *China Quarterly*, No. 87, September 1981, and the related differences noted in Pollack, "Chinese Global Strategy."

53. See note 47 and Deng's remarks in *BR*, No. 25, June 22, 1981.

54. See China's implicit warning to this effect following displeasure over continuing U.S. commitment to Taiwan. Xinhua commentary, June 18, 1981 in *SWB*, 6755.

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SOUTH KOREA AND TAIWAN: DEVELOPMENT PROSPECTS AND PROBLEMS IN THE 1980s

Samuel P. S. Ho

IN THE PAST TWO DECADES, the development of the economies of South Korea and Taiwan has been extraordinarily successful. Between 1960 and 1979, average real annual growth in both countries exceeded 9%, and their economic structures changed radically. In Taiwan, between 1960 and 1979 agriculture's share of Net Domestic Product declined from 37% to about 10%, while the share of manufacturing increased from under 17% to 35%. The change was equally dramatic in Korea, where agriculture's share of Gross Domestic Product dropped from 45% to 19%, and the share of manufacturing increased from 10% to 33% in the same period. These achievements have elevated Korea and Taiwan to the status of "newly industrializing countries."

What about the future? Will rapid development continue in the 1980s? What form will future industrialization take? This article examines these questions, with emphasis on the problems that Korea and Taiwan must overcome if their economic performances in the 1980s are to match those achieved in the past two decades. The first section reviews some salient aspects of past economic performances, particularly problems that emerged in the 1970s. In light of these problems, the future economic prospects of Korea and those of Taiwan are then discussed.

Past Performances and Emerging Problems

In Korea and Taiwan the pace of economic growth increased significantly in the 1960s when both countries partly turned away from their previous import substitution policy and implemented major economic reforms (e.g., adopted more realistic foreign exchange rates, liberalized import controls, and introduced export incentives) that encouraged industries to look to the world market and to develop more in line with the countries' comparative advantage—that is, along a

labor-intensive growth path. The change in development strategy produced spectacular results. From the early 1960s to the early 1970s, growth rates in real GNP in both countries approached double-digit figures. The average annual growth rates of manufacturing production were 17.5% between 1960–1962 and 1970–1972 in Korea and 20% between 1963 and 1973 in Taiwan. In Korea exports rose from US\$43 million in 1960–1962 to US\$1.176 billion in 1970–1972. In Taiwan exports soared from US\$174 million in 1960 to US\$3.114 billion in 1972. As a share of GNP, exports increased from 5% in 1960–1962 to 20% in 1970–1972 in Korea, and from 11% in 1960 to 45% in 1972 in Taiwan. In both countries, the share of manufactured goods in total exports rose from about 20% in the early 1960s to over 80% by the end of the decade. In the 1970s, about one-quarter of Korea's manufacturing output was exported, and in Taiwan many industries exported 30% or more of their output. Partly because assets were initially fairly equally distributed, rapid economic growth in Korea and Taiwan, in contrast to what has happened elsewhere in the developing world, has been unusually egalitarian. Both Korea's and Taiwan's income distribution in the early 1970s were among the most equal in the world, comparable to that in the United States and Japan.

The similarities in industrial policies and in economic achievements in the 1960s overshadow some interesting differences between economic development in Korea and that in Taiwan. One such difference is in agriculture. Taiwan's agriculture grew vigorously in the immediate postwar years, helped by progress made during the colonial period, by the 1949–1953 land reform, and by the introduction and increased supply of new inputs and techniques that were compatible with its small and intensively worked farms. With agriculture already developing, Taiwan's industrial sector in the 1950s and the 1960s could rely upon it as a source of savings, foreign exchange, and labor. The sequence of development was different in Korea. Unlike Taiwan, where agriculture was first developed and then used to support industrialization, Korea is an example of an economy where industrialization preceded agricultural development. In the early 1960s, when Korea began its rapid industrialization, agricultural productivity was low and increasing only slowly. Indeed, agricultural labor productivity in Korea was no higher in 1962 than in the late 1940s. This meant that Korea's industry was unable to rely upon agriculture to provide it with the savings and foreign exchange earnings needed for its expansion. The delay in agricultural development also meant a more serious rural-urban income distribution problem.¹

A second difference lies in the government sector. Here, the difference is one of degree. Both governments participated actively in economic development, and both interfered with the market, but, in Korea, government intervention in the economy was more direct and blatant. For example, the Korean government promoted industrial exports with greater intensity than the Taiwan government, perhaps because, with no agricultural exports, it was more dependent on indus-

trial exports. The Korean government was also more willing than the Taiwan government to use its power—e.g., its control over credit—to promote favored industries or enterprises.² While the Korean government's greater willingness to interfere directly in the economy enabled it to make dramatic gains in industrial growth and export performance, it also resulted in greater economic inefficiency. As we shall see, the lag in agricultural development and the government's predilection for intervening in the economy were to create difficulties for Korea in the 1970s.

Table 1 summarizes statistically Korea's and Taiwan's economic performances in the 1970s. At first glance, the 1970s appear to be just a continuation of the 1960s. The average annual real growth in the 1970s was 9.7% in Korea and 10% in Taiwan. In both countries, real per capita GNP increased at an annual rate of 7.8%. As in the 1960s, growth was led by the industrial sector, and the decline in the relative position

TABLE 1: Major Economic Indicators for Korea and Taiwan, 1970s

	Korea		Taiwan	
	1970-74	1975-79	1970-74	1975-79
A. Annual Rate of Growth (%)				
Population	1.91	1.62	2.04	1.96
GNP in constant prices	9.1	10.2	10.3	9.9
Agricultural production	2.8	6.9	2.5	3.8
Manufacturing production	21.8	21.5	17.6	15.1
Real gross domestic investment	10.0	18.6	20.0	7.7
Real exports of goods and services	25.8	20.0	21.8	15.4
Real imports of goods and services	16.8	17.9	20.3	11.7
Money and quasi-money, M ₂	28.5	32.2	27.9	25.3
Implicit GNP deflator	17.2	20.0	11.9	6.0
Wholesale price index	16.1	15.6	14.1	6.4
Consumer price index	13.7	16.7	13.0	6.1
	1970	1979	1970	1979
B. Economic Structure (%)				
GDP or NDP at factor cost ^a	100	100	100	100
Agriculture	30	19	18	11
Mining and manufacturing	20	34	28	36
Services	50	47	54	53
Employment	100	100	100	100
Agriculture	50	36	37	22
Mining and Manufacturing	14	24	23	33
Services	35	40	40	45
Exports/GDP ^b	14	30	30	55
Imports/GDP ^b	24	36	30	54
Gross domestic investment/GDP ^b	27	36	26	33
Gross domestic saving/GDP ^b	17	28	25	35

SOURCES: ROK, Economic Planning Board, *Major Statistics of Korean Economy*, 1980, and ROC Council for Economic Planning and Development, *Taiwan Statistical Data Book*, 1979, and *National Income Statistics, Taiwan, Republic of China 1952-1979*, January 1980.

^a For Korea, GDP at 1975 prices; for Taiwan, NDP at current prices.

^b GNP for Korea.

of agriculture continued. At the end of the decade, agriculture's share in total output had declined to 19% in Korea and 11% in Taiwan. Although the distribution of labor also shifted from agriculture to industry, a substantial share of each country's labor force remained employed in agriculture in 1979—36% in Korea and 22% in Taiwan. Trade continued to play a major role in the development of both countries. From 1970 to 1979 the real export of goods (now nearly all industrial products) and services increased at an average annual rate of 21% in Korea and nearly 18% in Taiwan. The ratio of exports to GNP in Korea rose from 14% to over 30% between 1970 and 1979. Because of Taiwan's smaller economy, its trade sector loomed even larger, with exports accounting for 30% of its GNP in 1970 and 55% in 1979. However, behind these spectacular statistics, economic conditions were changing, and the two economies were called upon to face some difficult economic problems.

In the 1970s, both countries, now closely tied to the rest of the world, discovered they had to cope with short-term stability problems caused by events outside their control and to make difficult choices concerning structural adjustments. Two changes in external economic conditions were particularly important: (1) worldwide inflation led by the soaring prices of oil, and (2) the emergence of protectionist sentiments in the developed countries against manufactured exports from the less developed countries. The latter development was, of course, in part precipitated by Korea's and Taiwan's successful penetration of the European, Japanese, and North American markets for light industrial products (particularly textiles). Taiwan also had to deal with its rapidly deteriorating international political position. When Japan and the United States normalized their relations with the People's Republic of China in the 1970s, Taiwan's relations with its two most important international partners were irreparably altered.

These changes required Korea and Taiwan to make both short- and long-term adjustments. In the short run, the problems were inflation and growing balance-of-payments deficits. In 1974 and 1975, both Korea and Taiwan sustained huge current-account deficits and resorted to heavy borrowing from abroad. The imbalance was caused by the quadrupling of oil prices in December 1973 and general worldwide inflation. From 1973 to 1975, the trade balances of both Korea and Taiwan deteriorated by about US\$1 billion in nominal terms, and in both cases more than 80% of the change can be attributed to rises in import prices. To cope with these problems, the two countries adopted very different economic policies.³

Korea ignored the inflation and stimulated exports to improve its balance of payments. The won was devalued by 21% in 1974, from 398 to 484 won per U.S. dollar. Despite the severe 1974–1975 worldwide recession, Korea's real exports increased by 33% during 1973–1975 because, with devaluation, Korea's export prices in U.S. dollars became extremely competitive, even though in terms of won they had risen rapidly. The strong export performance enabled the Korean economy

to expand at 7.6% per year during 1974–1975. Unlike Korea, Taiwan elected to keep its exchange rate fixed. To control inflation and to bring its balance of payments into equilibrium, it deflated the domestic economy. A tight money policy restricted money supply growth to only 7% in 1974, as compared to an average annual growth rate of 22% in the previous decade. An unanticipated problem was the worldwide recession and Korea's devaluation, which brought about a sharp decline in export growth, from an annual average real rate of 30% during 1969–1973 to nil in 1974 and 1975. The deflation policy and the decline in export growth reduced Taiwan's real economic growth in 1974 to 1.1%, its lowest rate since the end of World War II. Its balance of payments improved because, during 1974–1975, imports declined even more sharply than exports.

Taiwan achieved price stability and made its balance-of-payments adjustments in 1974–1975 at the cost of a substantial slowdown in economic growth and an increase in unemployment. Korea achieved its adjustments also at a cost. Its rapid growth and export expansion aggravated an already troublesome inflation. During 1963–1972, the implicit GNP deflator increased at an average annual rate of 3.97% in Taiwan but more than 16% in Korea. In 1974, the soaring world prices of oil and other raw materials caused prices to rise sharply in both countries, and the implicit GNP deflator increased by 32% in Taiwan and 27% in Korea. While the deflation policy brought the inflation in Taiwan quickly under control (the implicit GNP deflator increased by only 2.3% in 1975), double-digit inflation continued in Korea. The failure to control inflation will return to haunt Korea in the late 1970s.

Two major long-term development problems emerged in the 1970s. One involved the direction of industrialization. With protectionist sentiments rising in the developed countries, continued rapid expansion of the light manufactured exports on which Korea's and Taiwan's industrial growth had been based appeared problematic. Rising wages in Korea and Taiwan also suggested that their comparative advantage was shifting away from the semi-skilled, labor-intensive industries that grew so rapidly in the 1960s. To policy makers in both countries, these changes in external and internal conditions suggested a need to restructure the industrial sector. The question was in what direction and at what speed.

The second major policy issue involved agriculture. In Korea, the problem was one of unbalanced growth. The lagging agricultural sector had become a bottleneck. Agricultural prices were the fastest rising component in the consumer price index and a major factor behind Korea's inflation and the urban workers' demand for higher wages. In addition, the lag in agricultural development contributed to the growing income gap between rural and urban Korea, a development that concerned the Korean government for political reasons. The agricultural problem in Taiwan was of a different sort. Agricultural development was one of the most successful aspects of Taiwan's postwar economic growth. However, in the late 1960s, with peasants leaving

agriculture to work in industries, with double-cropping on the decline because of seasonal shortages of labor, and with farm land being converted to factory sites, both land and labor inputs to agriculture declined and agricultural growth became sluggish. The issue in Taiwan was how to rejuvenate its agriculture.

How did the two governments cope with these problems and with what results? First, let us examine the agricultural problem. The stated objectives of Korea's agricultural policy in the 1970s were to achieve self-sufficiency in grains and to raise rural income and reduce rural-urban income disparity. The government adopted a two-pronged strategy. On the one hand, it raised rural income and improved incentives in agriculture by adjusting the terms of trade between agriculture and industry in favor of the farmers. On the other hand, the government promoted the adoption of new agricultural inputs, the most important being new varieties of high-yield rice seeds.

To alter the terms of trade, the Korean government restricted agricultural imports, increased the purchase prices for grains, and provided fertilizers to farmers at low cost. Between 1968 and 1973, these government programs improved the terms of trade in favor of agriculture by more than 20% and significantly improved rural income. The introduction in 1971 of high-yield rice seeds also helped by improving rice yield. Gains were particularly strong during 1975-1977, when grain production increased by 31% even though the acreage under grains declined. Self-sufficiency in rice was achieved in the mid-1970s.⁴

These policies, unfortunately, also had adverse consequences. When the government increased its grain purchase prices, it did not pass the full increase on to the urban consumers. It also absorbed the higher costs of fertilizers when prices rose sharply after the 1973 oil crisis. Accordingly, the grain and fertilizer operations incurred huge deficits, averaging about 2% of Korea's GNP in the mid-1970s. Although since 1975 the government has allowed fertilizer prices to rise to reflect costs, it has not altered its grain price policy. Because the government has financed these deficits through the printing press, the grain purchase program has become a major source of inflation.⁵ Continued import restrictions on food such as beef and dairy goods, which are not produced (for good economic reasons) in large quantities in Korea, have helped to keep non-grain food prices high in Korea.⁶ Indeed, Korean consumers pay some of the highest food prices in Asia. The agricultural price support program, because it effectively subsidizes employment in agriculture, also has the unfortunate effect of slowing down the transfer of labor from the less productive agricultural sector to the more productive industrial sector.

Taiwan also adopted policies to raise farm income and to maintain self-sufficiency in rice. To revitalize the agricultural sector, the government launched several major reconstruction programs in the 1970s. To ease seasonal labor shortages, farmers have been encouraged to mechanize the transplanting of rice and harvesting. But to do this

efficiently would require the consolidation of Taiwan's small farms and the development of new farm management systems, and this has not occurred on a large scale nor is it likely to in the near future. A second objective of these programs was to maintain agricultural income. The government price policy, which historically has been used to extract the surplus from agriculture, was changed to support agriculture. Since the mid-1970s, fertilizer prices have remained unchanged while the price the government pays for its rice purchases, which before 1973 corresponded to only 70% to 80% of the prevailing market price, was raised significantly. In effect, what used to be a hidden tax was transformed to a price-support program. It appears that Taiwan's agriculture has moved from a supporting sector providing resources to the rest of the economy to a dependent and protected sector, much like agriculture in Korea. However, there are some significant differences. Compared to Korea, the farm sector in Taiwan is smaller, relative to the economy as a whole, and more productive and diversified. Consequently, supporting it requires fewer resources and is less a burden on the rest of the economy.

More than any other issue, industrialization was the problem that most occupied the attention of policy makers in Korea and Taiwan in the 1970s. What concerned the policy makers were rising protectionism in the developed countries, rising wages at home, and the threat of competition from lower wage-cost LDCs. In both Korea and Taiwan, the economic plans that emerged in the mid-1970s (Taiwan's Seventh Plan for 1976–1981 and Korea's Fourth Five-Year Plan for 1977–1981) reflected these concerns. Planners advocated a move away from the labor-intensive industries. But, in what direction? The need to develop capital-intensive as well as skill-intensive industries was acknowledged in both plans, but it was the capital-intensive heavy and chemical industries (e.g., steel, non-ferrous metals, basic petrochemicals and their derivatives, petroleum, fertilizers, and cement) that received the bulk of the governments' attention. This new direction in industrialization was mapped out in the mid-1970s, shortly after the first oil crisis, but the sharp increase in oil prices did not influence the economic planners to avoid developing some very energy-intensive industries.

Korea and Taiwan pursued this new policy with one significant difference. Taiwan shifted into the chemical and the heavy industries more slowly and selectively than Korea. Bolstered by its past successes and confident of its ability to manage the economy, the Korean government went all out in the late 1970s, using persuasion, subsidies, and low-cost loans, to develop heavy chemical, basic metals, and machinery industries. Apparently, the rush into heavy industry was pushed personally by Park Chung Hee, in part to acquire the backbone of a defense industry at a time when the United States was considering a troop withdrawal from the peninsula. The result was impressive. Korea's gross domestic fixed capital formation, in constant 1975 prices, increased by 27% in 1977 and 39% in 1978. Most of the increases in fixed

capital investments were allocated to the heavy and the chemical industries or projects in support of these industries. Between 1975 and 1978, real GNP grew in excess of 12% per year.

The decision to move into the more capital-intensive industries was, of course, not without some economic justification. Wages were indeed rising in Korea and Taiwan. The fear of increasing protectionism in the developed countries was, unfortunately, justified. Other LDCs were following in the footsteps of Korea and Taiwan and exporting labor-intensive products. However, the crucial question is whether deliberate government manipulation was the most efficient way to adjust to these economic changes.

In Korea, the excessive diversion of scarce resources to the development of the more capital-intensive heavy industries resulted, predictably, in economic inefficiency and outright waste. Since investors were not responding to market forces but to government pressure and subsidies, which were not properly coordinated, capacities in some heavy industries were duplicated by different companies, each seeking full integration. With market forces playing a minor role in the selection process, investments were also made in energy-intensive projects that should not have been made, even if the unexpected doubling of oil prices in 1979 had not occurred. Investments in heavy industry were excessive relative to projected demand as well as to Korea's technical, managerial, and financial capability, and it is questionable whether they will be viable without continued government assistance. But even if these projects break even without government protection, they may still be uneconomical if the criterion is profit. It is generally believed that returns of 20-30% (calculated at world prices) should be widely achievable on industrial investments in Korea (and in Taiwan). It is doubtful whether many of the heavy industrial projects will ever achieve such high rates of return on their investments.

Another consequence of the rush to develop heavy industry was that fewer resources were spent on social infrastructure and housing. With Korea's very rapid urban growth, the low investment in urban housing and transportation has caused housing conditions and the quality of life in urban areas to deteriorate. The lack of suitable housing is one of the chief reasons for dissatisfaction among Korea's urban workers and its growing middle class. Excessive investment in capital-intensive projects also meant insufficient capital allocation to the less capital-intensive light industries, so that a larger than necessary share of Korea's industrial work force had to continue in relatively low productivity employment, as well as a slower growth in total industrial employment. This comes at a time when those born during the post-Korean War baby boom must still be absorbed by the economy. In the long run, these "side effects" of the rush into heavy industry may prove to be most troublesome.

Taiwan did not move into heavy industry as "boldly" as Korea and has paid more attention to social development. Its leaders, conscious of the island's political isolation, realized that they could ill afford any major economic errors and were therefore more circumspect and less

ambitious in their industrial planning. Less pressure and fewer inducements were used to persuade Taiwan's private sector to follow government plans. In other words, market forces were allowed, on the whole, to play a larger role in allocating investments in Taiwan than in Korea. As a consequence, more resources were allocated to light industry and to housing and other services in Taiwan. Thus, while the problems and inefficiency found in Korea's economy have also developed in Taiwan, they appear to be less serious and on a smaller scale.

Within the Korean and the Taiwan governments, the debate over the direction of industrialization and whether or not agriculture should be subsidized continues. Whether Korea and Taiwan can resolve these issues rationally in the 1980s will help determine how well they will perform economically in the long run. But, in Korea, a more immediate problem is inflation.

By the late 1970s, Korea had experienced more than a decade of double-digit inflation.⁷ With an open economy, Korea is particularly susceptible to imported inflation. Indeed, during 1973–1974, the main source of its inflation was external. But, from 1975 to 1978, as import prices were relatively stable, the sources of inflation were largely domestic. The prices of consumer goods, especially food, and of housing and land rose rapidly. It would appear that sectoral imbalance—i.e., slow growth in the domestic supply of food and other consumer items and of housing when the demand for these goods and services was expanding rapidly because of increases in per capita income—was one cause of Korea's inflation. Other contributing factors were an easy money and credit policy and the intensive drive to export and to develop heavy industry. In the late 1970s, in anticipation of continued increases in prices and in order to catch up with past increases in labor productivity, workers demanded large increases in wages. To appease the increasingly militant workers, the government adopted the politically expedient policy of allowing the "informal indexing" of wage increases to the rate of inflation. The result was a wage-price spiral that sent Korea's implicit GNP deflator rising by 65% during 1976–1978.

For an export-oriented economy like Korea, the most serious consequence of inflation was that it weakened its export competitiveness. Real export growth declined steadily, from 36% in 1976 to 19% in 1977, 14% in 1978, and a negative 1% in 1979. It is not difficult to see why Korea's export competitiveness declined. During 1976–1979, nominal wages in Korea increased three-fold, real wages by 78%, and labor productivity by 51%. While unit labor cost was increasing in Korea's manufacturing sector, it declined in Taiwan and Japan. Not surprisingly, prices increased at a faster rate in Korea. In the past, when it had higher rates of inflation, Korea, to maintain its export competitiveness, devalued the won. But, from December 1974 to January 1980, Korea pegged the won to the U.S. dollar at 485 won per dollar. Without a devaluation, Korean exporters found it increasingly difficult to compete on the world market and still make a profit, since competition from other countries kept Korea's export prices from rising as rapidly as costs. The decline in export competitiveness, not surprisingly, was most

severe among the labor-intensive industries, the traditional strength of Korea's export sector.

The rush to develop heavy industry also contributed to the decline in the export competitiveness of Korea's light industry because it diverted resources from light industry and thereby delayed its modernization and diversification. During 1977-1979, Korea invested US\$5.8 billion in heavy industry, fulfilling 97% of the target set for 1977-1981 in its Fourth Five-Year Plan, but allocated only US\$1.5 billion to light industry. Undoubtedly, Korea's comparative advantage eventually would have shifted away from labor-intensive light industry, but the rush to develop heavy industry may have caused it to decline prematurely, and in doing so weakened the economy.

Korea in the 1980s

In 1979-1980, economic and political conditions in Korea changed radically. Therefore, before we can look to the future, it is necessary that we first review these changes. In 1979, the Korean government recognized that, if economic development were to continue uninterrupted, inflation had to be brought under control and a more sensible approach taken to the development of heavy industry. A number of industrial projects were postponed, and a tight money policy was introduced in April. Meanwhile, because of a slowdown in the world economy and its weaker competitive position, Korea's real exports declined. These developments reduced real GNP growth to 7.1% in 1979 (in contrast to an average annual rate of 12.3% achieved in the previous three years) and increased unemployment. Inflation, however, did not decline. In 1979, Korea's implicit GNP deflator increased by 20.4%, its wholesale price index by 18.8%, and its consumer price index by 18.3%, all higher than in 1978.

The unexpected problem was the doubling of oil prices during 1979. On average, the price Korea paid for its oil imports in 1979 was 42% higher than in 1978. The average price increase for all import commodities in 1979 was 27%. The government estimated that less than 40% of the increase in the wholesale price index in 1979 could be attributed strictly to domestic sources.⁸ Rising import prices and declining real exports also widened the balance of payment deficit. The current account deficit rose to US\$4.2 billion in 1979 (as compared to US\$1.1 billion in 1978), and the basic balance showed a deficit of US\$1.75 billion.

The prospects of stagflation and huge balance-of-payments deficits were soon overshadowed by domestic political turmoil, which in turn increased Korea's economic difficulties. On October 26, 1979, at a time when his government was under increasing pressure from students to adopt a more open and democratic political system, President Park Chung Hee was assassinated by the head of South Korea's intelligence agency, and his death sent the country into political confusion from which it is only now recovering. Choi Kyu Hah, a bureaucrat and

the premier under Park, was appointed caretaker president, but by mid-December it was clear that General Chun Doo Hwan and his supporters, who had seized control of the army, had the power to dictate to the civilian government. Despite Chun's takeover of the Army High Command and the fact that the country was under partial martial law, there was still hope that Korea was about to enter a period of political liberalization. This hope was dashed in mid-May 1980 when the army, reacting to student demonstrations, closed the universities, declared full martial law, and arrested numerous students and leading political and social leaders, including Kim Dae Jung (Park's opponent in the surprisingly close presidential election in 1971). When students in Kwangju, capital of Kim's home province (South Cholla), demonstrated in protest of his arrest, paratroopers were sent in to restore order, and their excessive use of force set off a violent uprising that ultimately cost hundreds of lives.⁹ The Kwangju Committee for National Security Measures was formed at the end of May, and its 31-member standing committee, chaired by Chun, in effect ran the government until August, when Choi resigned, and Chun was installed as the new interim president. In October a new constitution was submitted to a national referendum and approved. This paved the way for the election of Chun to a single seven-year term as president in February 1981. Meanwhile, thousands of politicians, bureaucrats, professors, and journalists were purged, some for corruption or incompetence, but many because they had been critical of the government.

While these political events were unfolding, the government attempted to cope with two very difficult economic problems: how to contain inflation in the face of rising oil prices, and how to prevent a further deterioration in the balance of payments when the export market is weak and import costs rising. In the months immediately after Park's assassination, the government moved boldly and announced: (1) a wage guideline that called for holding nominal wage increases to 15% during 1980; (2) a 20% devaluation, from 484 to 582 won per US\$; (3) a continuation of its tight money policy (the ceiling on domestic credit in 1980 was placed at the 1979 level of 3,200 billion won); (4) an increase in nominal interest rates, ranging from three to six percentage points; and (5) its decision to allow oil-related domestic prices to reflect the full increase in the import price of oil.¹⁰

What the government hoped to achieve was clear. It wanted to pass the higher import price of oil on to the consumers quickly and get on with the adjustments. It hoped that tight money and wage control would contain inflation, while devaluation would stimulate exports and help improve the country's balance of payments. The government recognized that these measures would result in a higher rate of unemployment, but hoped for a mild recession. The government may be ready finally to allow the market a greater role in the allocation of credits and investment funds.

The devaluation in January 1980 gave Korea a temporary competitive edge in exports, but these did not respond as rapidly as plan-

ners had hoped. One reason for the disappointing export performance was that, concurrently with the devaluation, the domestic prices of fuel oil went up by 60%, electric power by 35%, and other oil-related industrial goods by between 20% and 40%. As these increases worked their way through the economy, they caused wholesale prices to rise sharply. In other words, the devaluation was partly offset by rapid domestic inflation. Another reason of course is the recession in the United States (one of Korea's largest and most important customers), which has been more severe than anticipated. Finally, political instability and the Kwangju uprising scared some overseas buyers away from Korea to its competitors.

As expected, the 15% wage guideline, a crucial component of the government stabilization program, met bitter resistance from labor. In a few instances, wage disputes turned into riots. Eventually, government was forced to accept wage increases that were significantly higher than its guideline (e.g., textile workers obtained a wage increase of 27%). In the meantime, the highly leveraged Korean firms, squeezed by tight credit and a weak export market, began to lay off workers. With unemployment rising and inflation unabated, labor unrest became widespread and added to the political and social tension in the country.

By the second quarter of 1980, all the economic signs pointed to stagflation. Real GNP in the first quarter was 2.2% lower than the same period a year before. At the end of March, unemployment had reached 829,000, about 5.7% of the labor force, and underemployment was extensive. Exports in the first five months of 1980 increased 18% over the same period in 1979, but this was far short of the inflationary rate. Investment in plant and equipment and private consumption both declined. But in June wholesale prices were up 43% and retail prices 26% compared to a year earlier.

After the Kwangju uprising, the government, worried that unemployment would increase social and political unrest, ordered large companies to hold on to their workers despite the decline in demand. To buffer the effects of tight money, it slightly relaxed its credit ceiling and extended a small number of loans to low-income families and small/medium firms and for house construction.¹¹ In September, the government again reaffirmed its determination to control inflation and force companies to restructure their finances and rely more heavily on internal funds. It announced its intention to continue its tight money policy and warned that the tax law would be changed to disallow "heavily leveraged firms" from claiming interest payments as tax deductions.¹² However, for the first time, it publicly acknowledged the depth of the recession and predicted that real GNP would decline by 2% (it actually declined by 5.7%) in 1980. In the meantime, dampened sales, tight credit, and government pressure to retain workers created a serious cash flow problem for businesses.¹³ By November, the problem had become acute and forced the government to modify its policy significantly. The prime rate, which was reduced to 21.5% in September, was again reduced by two percentage points and 150 billion won of credit

was made immediately available to prevent bankruptcies of "financially sound firms."¹⁴

Forecasting, hazardous even under stable conditions, is hopelessly difficult when the political and economic environments are changing as rapidly as they are in Korea. Under present circumstances, quantitative projections of economic aggregates are not likely to be very meaningful. A more useful exercise is to identify and discuss some of the major economic difficulties facing Korea in the short and the long run.

In the short run, stagflation is the major problem. Investment in plant and equipment is currently weak, and with factories operating at 70% capacity, it is not likely to recover until business confidence in the economy is restored. Similarly, with real income falling, private domestic demand for consumer goods, particularly for consumer durables, is and will remain depressed in the near future. The export picture is somewhat brighter. Since early 1980, the government has allowed the won to depreciate under a controlled float,¹⁵ and this has kept Korea's exports competitive despite domestic inflation. Indeed, exports are now showing renewed strength. However, with many of the industrialized economies still in a recession, it is not clear that export growth will be sufficiently strong to offset the weaknesses in domestic demand and bring about a quick recovery.

If the above assessment is accurate, then Korea is in for at least one or two years of sluggish growth accompanied by inflation. With exports weak and the import price of oil substantially higher than a year ago, the economy is facing and will continue to face serious balance of payments difficulties. Of the primary energy Korea consumed in 1979, 61% was in the form of oil, all of which was imported. The demand for oil in 1980, after adjusting for the current economic slowdown, is estimated at 200 million barrels, or about 5% more than in 1979. The government estimates that oil imports, at the current higher price, will absorb 35% of Korea's projected export earnings, up from 15% in 1979. In 1980 the current-account deficit in balance-of-payments increased to over US\$5 billion. The outlook for 1981 is not much brighter. To finance these deficits, Korea will need to borrow heavily from abroad. The question is whether Korea can raise the necessary loans. If external financing can be arranged, and a balance-of-payments crisis avoided, then the country will have the time it needs to bring the economy out of stagflation. If the loans cannot be arranged, then the economic outlook for Korea is gloomy indeed.

To help pay for its growing oil bills and to finance its rapid industrialization, Korea was a net borrower throughout the 1970s, and its total outstanding foreign debt in early 1980 had built up to about US\$22 billion. Because of strong export growth in the 1970s, its debt-service ratio (debt service divided by foreign exchange earnings) in 1979 was still a relatively comfortable 13.8%. But now, with exports no longer growing as rapidly, the debt is more burdensome. Nevertheless, under normal circumstances, Korea could still afford a somewhat larger debt and should not find it difficult to borrow annually the

US\$5-6 billion the economy needs in the next few years. However, Korea is no longer the good credit risk it was in the late 1970s. Basically, how much Korea will be able to borrow depends on how quickly it can rebuild confidence abroad.

At this point the problem becomes as much a political as an economic one. Overseas confidence will not return until Korea is stable politically. Order is now restored, the country has a new constitution, martial law has been lifted, and Chun is firmly in power. Thus, the political picture is now clearer than it was in 1980, but many questions still remain. Will there be some genuine political reforms? Will the present regime be harsher than Park's? If political repression continues, how long before opposition to Chun becomes organized and violent? There is also the question of whether the government, with all its political constraints, can effectively cope with the many economic difficulties it now faces. The technocrats are still in charge of economic management. However, it is too early to conclude that Chun and his military supporters will not interfere. Since economic questions cannot be totally separated from the other issues, will political expediency overrule economic rationalism? What is clear is that political tension, unemployment, inflation, and balance-of-payments difficulties can easily interact to worsen Korea's political and economic conditions rapidly. In the short run, Korea faces many dangers, and its path to recovery is fraught with pitfalls.

Assuming the short-term problems can be resolved and that political stability is maintained, what are the long-term economic prospects? With few natural resources, Korea has no choice but to remain open and outward-looking. If, as expected, the government allocates more resources to infrastructure and social development in the 1980s, economic growth will be slower than in the 1970s. However, Korea should be able to achieve a respectable rate of growth, perhaps averaging 6%-7% per annum for the decade. This optimism rests on the assessment that the current crisis has not altered Korea's basic economic strengths: a sizeable industrial base; a hard-working labor force; and a growing technical and managerial capability. Whether Korea will achieve its economic potential depends critically on how efficiently its economy operates and whether its industrial sector remains competitive internationally. This, in turn, will depend, to a large extent, on three factors: (1) whether the government will permit the market to have a larger role in resource allocation, (2) whether an appropriate energy policy is developed and implemented, and (3) whether the government's agricultural policy will become economically more rational.

Events in the late 1970s have made it abundantly clear that the Korean economy has become too large and complex to be managed by the government. It was partly poor planning and unnecessary government intervention that led to the over-investment in heavy industry. The government is now engaged in the difficult and painful task of rationalizing the heavy industry. It has ordered companies with dupli-

cated facilities to merge or to swap assets so that each could specialize and thereby develop the competitive edge needed to enter the world market.¹⁶ But the future of heavy industry remains uncertain. What is clear is that the excessively capital-intensive and energy-intensive industrial projects developed in the 1970s will be a burden on the economy for some time. The best way to avoid such costly errors in the future is to allow the market to play a large role in selecting investment projects. Unfortunately, this is more easily said than done.

The problem is that in order for the government to allow the market to play its proper allocative role it must also give up its considerable control over the economy. This the government may be unwilling to do. Where the government has the most control is over credit. The money and capital markets in Korea are underdeveloped, so that the government-owned and government-controlled banking sector is the only major external source of funds for businesses. Bank loans are not allocated by a freely determined market interest rate but administratively by government bureaucrats. While such controls allow the government to influence private businesses, they also create gross economic inefficiency and are an important source of government corruption. Earlier this year the government indicated that it may free the interest rate and let the market allocate credits. A good indication of whether future industrial growth will be guided by market forces or by government directives (and thereby run the risk of repeating the errors of the late 1970s) is how quickly and effectively these much-discussed interest rates and banking reforms will be implemented.

Even though Korea is not richly endowed with energy resources, its industrial strategy in the 1970s was apparently developed with little thought about its energy requirements. This obviously cannot continue. Currently, 70% of the primary energy consumed in Korea is imported. Because domestic energy supply (firewood and coal) has little potential to increase, Korea will become even more dependent on imports for its energy in the future. An 85%–90% import dependency rate by 1990 is likely. What is also significant is that between 1973 (the year before the first oil crisis) and 1979, the share of oil in the total consumption of primary energy rose from 53.9% to 61%. With the price of oil now higher than ever and with its availability in the future uncertain, how rapidly Korea develops in the 1980s will depend on whether it can reduce its dependence on oil and whether it can avoid developing very energy-intensive industries. In short, energy considerations must play a greater role (whether through the price mechanisms or the planning board) in determining the future direction and pattern of industrial growth.

Agricultural policy will also affect Korea's industrial growth in the 1980s. For more than a decade, the Korean government has pursued self-sufficiency in agriculture. Import restrictions and price supports have been used to encourage agricultural production, and this has kept food prices high. With food still accounting for about 40% of the urban consumer's budget, high food prices have put considerable upward

pressure on Korea's industrial wage. However, it is not clear whether Korea can afford higher wages if it also expects to retain its export competitiveness. Artificially maintained high wages will also move Korea out of labor-intensive industries too quickly and prematurely, reduce the industrial sector's capacity to absorb labor, and retard the shift of labor out of agriculture. Such a development would be unfortunate. With an open economy and with more than 35% of its labor force still employed in agriculture, Korea cannot afford to promote agriculture by distorting prices. Economically, there is no justification for agricultural self-sufficiency, and promoting it is likely to be costly in terms of economic efficiency and a slower and distorted industrial growth. Support for agriculture may be justified on the grounds of equity, but if so, there exists more efficient income-transfer mechanisms than changing the terms of trade between agriculture and industry.

Are these reforms likely to come about? Everything suggests that Korea will reduce its oil dependency in the 1980s. The Ministry of Energy, established in 1978, is busy at work on a program to conserve energy and to switch from oil to coal and nuclear power.¹⁷ The fate of the other reforms is more uncertain. The death of Park and the subsequent removal from office of many government figures and bureaucrats with vested interests in the status quo have given Korea a rare opportunity to correct past errors and start fresh. But Chun, like Park, still must appease various interest groups in the economy. Because it needs rural support, the present regime will probably move cautiously in the sphere of agricultural policy, so significant reforms in this area cannot be expected. The technocrats are clearly trying to give market forces a greater role in the economy. In December 1980 the government revealed its plan to liberalize the banking sector, and announced that controls on management will be eased, government's share in four commercial banks will be sold, and a foreign-local joint venture bank will be allowed to operate in the domestic market.¹⁸ Since government control and intervention do not depend on ownership, the sale of government's share in banks is largely a symbolic gesture. More meaningful is the opening, however slight, of the domestic credit market to foreign competition in the form of a joint venture bank. It is much too early to say whether these changes mark the beginning of a new economic era of limited government control. One hopes so, but history has shown that generals are usually more sympathetic to the need for control and "order" than for economic efficiency.

Taiwan in the 1980s

Taiwan entered the 1980s in better economic shape than Korea. From 1976 to 1979, economic growth averaged 11.3% per annum, and because the economy was not strained by the rush to develop heavy industry as the Korean economy was, prices remained relatively stable and the current account in the balance-of-payments showed a surplus

every year. Trade expanded rapidly and also diversified, both in terms of products and partners. Thus, despite the oil crisis and near total political isolation, Taiwan emerged from the 1970s with a surprisingly strong economy. Its financial and economic strength was such that the news of its expulsion from the IMF and the World Bank in mid-1980 caused little real concern either in Taiwan or among its foreign investors.

Like Korea, Taiwan's economic future also depends on what happens politically. One thorny problem is its relationship with China. Another is the uneasy one-party rule by the mainlander-dominated KMT in a population that is 85% native Taiwanese. Internal pressure for political democratization is on the rise.¹⁹ In the past, those who advocated a multi-party system were branded either as communist sympathizers or supporters of the Taiwan independence movement and were suppressed. This left little room for compromise. Although it is still unwilling to accept a true opposition party, the government now appears to be willing to accept greater Taiwanese participation in the political process. On the one hand, the KMT is broadening its base and inviting Taiwanese politicians to run under its banner and to join the government. On the other hand, a number of independent Taiwanese politicians were elected in the December 1980 election (held to replace the 1978 election cancelled after the United States recognized the People's Republic) when the KMT decided not to field a full slate of candidates. Unlike previous elections, the 1980 balloting was also relatively free of accusations of government irregularities. It is hoped that this marks the beginning of a new political era in Taiwan. The demand for an end to martial law and for changes in the electoral system will persist and probably intensify so that if the government does not continue to move towards a more open political system, the potential for instability is great. However, assuming a reasonable degree of political stability, the future looks reasonably bright.

The official projection of Taiwan's economic future can be found in the recently published *Ten-Year Economic Development Plan (1980-1989)*. Before discussing its content, the plan needs to be put in proper perspective. Taiwan is not a planned economy and the government uses its medium- and long-term plans primarily to indicate where it thinks the economy is going, to identify potential economic problems, and to discuss its economic policies. The current Ten-Year Plan will have some influence on government investments and the investment plans of government enterprises, but even in the public sector, the Plan is not unchangeable. In the past, when conditions changed and planning errors became obvious, plans were often revised. Indeed, because much of the Ten-Year Plan was completed before the unexpected large increase in oil prices in 1979, the government is already thinking about revisions.

The core of the Ten-Year Plan is the macroeconomic projections, and some of the more important trends are summarized in Table 2. Real GNP growth is expected to average 8% during 1980-1984 and

7.8% during 1985–1989. If achieved, Taiwan will have a real per capita income in 1979 prices of about US\$3,300 in 1989. Exports (in real terms) are projected to grow modestly by 12.5% per year during 1980–1984 and 12.3% per year during 1985–1989. Government planners consider the projected GNP and export growth rates optimistic because they were made before the large increase in oil prices in 1979 and before the severity of the current recession in the United States and Europe became apparent. However, past government projections of economic growth have been conservative, so that, on balance, a growth rate of 7%–8% per year in the 1980s appears reasonable.

In the 1980s, fixed capital investment will total US\$148 billion (in 1979 prices), of which 34% will be allocated to manufacturing, 17% to the utilities, 19% to transportation and communication, and 5% to

TABLE 2: Major Economic Targets and Anticipated Changes in Industrial and Trade Structures in Taiwan

	1979	1984	1989	Average Annual Growth Rate (%)	
1. Population (million)	17.3	18.9	20.3	1.8	1.4
2. GNP (billion 1979 NT\$)	1,164	1,711	2,490	8.0	7.8
3. GDP (billion 1979 NT\$)	1,160	1,704	2,481	8.0	7.8
Agriculture	103	110	119	1.5	1.5
Industry ^a	611	996	1,580	10.3	9.7
(Manufacturing)	(497)	(823)	(1,325)	(10.6)	(10.0)
Services	447	598	782	6.0	5.5
4. Industrial Structure					
A. (% of GDP at current prices)					
Agriculture	8.9	7.0	5.5		
Industry ^a	52.6	55.7	57.7		
(Manufacturing)	(42.8)	(45.7)	(47.7)		
Services	38.5	37.3	36.8		
B. (% of employment)					
Agriculture	21.5	17.7	14.9		
Industry ^a	41.8	44.4	46.2		
(Manufacturing)	(32.4)	(34.7)	(36.2)		
Services	36.7	37.9	38.9		
5. Trade					
Export of goods (FOB) and services (billion 1979 US\$)	17.6	31.7	56.6	12.5	12.3
Import of goods (CIF) and services (billion 1979 US\$)	17.4	31.6	56.6	12.6	12.4
Export structure (% of exports)					
Ag. and ag. processed gds.	9.6	7.9	6.7		
Industrial goods	90.4	92.1	93.3		

SOURCE: Council for Economic Planning and Development, *Ten-Year Economic Development Plan for Taiwan, Republic of China (1980–1989)*. March 1980.

^a Includes mining, manufacturing, construction, and utilities.

agriculture. The government's share of total fixed investments, about 47%, will be somewhat lower than in the past. The bulk of government investments will be in agriculture, transportation and communication, social infrastructure, and utilities. These investments will further industrialize the economy. By 1989, agriculture will produce only 5.5% of Taiwan's GDP and employ less than 15% of its labor force. Manufacturing, on the other hand, will account for about 48% of GDP and 36% of employment.

Of greater interest are the anticipated changes in the manufacturing sector. The Ten-Year Plan calls for Taiwan to shift away from the traditional manufacturing industries (food, textile, and wood products) towards the intermediate goods industries (general machinery, telecommunication equipment, transport equipment, and various metal products). The petrochemical industry will continue to expand but at a slower rate so that, relatively, its importance in manufacturing will decline.

These structural changes reflect roughly the current government thinking about future industrialization. There is consensus within the government that Taiwan needs to step up its development of high value-added, technology-intensive industries that are small consumers of power (e.g., machinery and electronics). There is also agreement that the best way to compete internationally, now that other low labor cost countries are also exporting, is to upgrade the quality and diversity of its products by modernizing existing labor-intensive industries. To keep Taiwan competitive and export oriented, the government plans to lower tariffs, liberalize import controls, and develop new high-technology industries, in part with foreign investments. Currently under construction in Hsinchu is a new science park that will house the technology-intensive industries Taiwan hopes to attract in the 1980s. The incentives offered to prospective investors (low-cost sites and infrastructure, tax holidays, and possible government investments that can later be repurchased at favored terms) are similar to those provided by Taiwan's successful export-processing zones. Finally, the government still holds to the view that Taiwan must have its own steel, non-ferrous metals, and petrochemical industries. Since these industries are capital- and energy-intensive, this controversial aspect of the government's plan requires scrutiny.

The government plans to use government enterprises to develop the capital-intensive industries. It stresses that the selected industries will be developed not to export but only to meet domestic demand, and that their development will give the economy the desired backward integration and a secure source of supply of strategic inputs. But these are hardly sound justifications. The government is not stressing exporting presumably because it knows that Taiwan does not have a comparative advantage in these industries. Yet, by producing only for the protected and limited domestic market, Taiwan will be unable to take advantage of the substantial economies of scale that exist in these industries. It is also not clear why backward integration, which is usually

costly in terms of capital, is so desirable for a country that is still relatively labor abundant and capital poor. Finally, Taiwan has neither petroleum nor minerals, so that the development of ferrous and non-ferrous metals and of petroleum-related industries will, if anything, make it more import dependent and more vulnerable to external pressures and disruptions.

It is as yet not clear whether the government will carry out its intentions and develop all the capital-intensive heavy industries listed in its Ten-Year Plan. Within the government, there is some resistance against going down this treacherous path. The recent increase in oil prices has provided these opponents with additional ammunition, and it is to be hoped that the development of such energy-intensive industries as zinc smelting and basic petrochemicals will now become less likely.

In the 1980s, the major challenges will be in energy and manpower development. Taiwan depends almost totally on imports for energy. In 1979, 82% of Taiwan's total energy supply was imported, and 85% of its imported energy was in the form of crude oil and petroleum products. Significantly, Taiwan's energy demand has increased sharply since the early 1970s. The income elasticity of energy in Taiwan was 1.01 during 1968–1973 but increased to 1.44 during 1974–1977.²⁰ The sharp rise was due in part to the rapid expansion of the petrochemical industry, but even when the petrochemical industry is excluded, the income elasticity of energy declines only to 1.18.

With the steady increase in oil prices, Taiwan now faces a major adjustment problem. In the short run, there will be inflationary pressure and balance-of-payments difficulties. In 1980, Taiwan's oil import bill increased by 89% to US\$4.1 billion and accounted for 21% of its total imports, but because exports also grew vigorously, it ended the year with a small trade surplus. However, because current world economic conditions suggest a weak export market and continued high oil prices in 1981, the government is forecasting a trade deficit of US\$1 billion this year. The rising prices of imports, led by oil, have also led to increases in domestic prices. The wholesale price index rose by 13.8% in 1979 and by about 20% in 1980.

In the long run, it is difficult to see how Taiwan can continue its rapid development if it does not lower its income elasticity of energy and reduce oil dependency. The Ten-Year Plan calls for a lowering of the income elasticity of energy from 1.44 to 1.02 and a reduction in oil dependency from 71% to 49% in ten years.²¹ These projected targets will be difficult to achieve. A major barrier is the existing oil price policy. Currently, Taiwan subsidizes the energy used in its industries. In May 1980, the price of fuel oil in Taiwan was 66% of that in Japan and 72% of that in Korea. Because so many prices are related to oil, the low oil price has not only encouraged the inefficient use of energy but also has caused price distortion throughout the economy. The government has a deep fear of inflation and is therefore extremely reluctant to decontrol oil prices. But unless it allows domestic energy prices

to rise, it is difficult to see how it can curb energy demand and increase economic efficiency. The second major challenge is manpower development. The export-oriented rapid economic growth in the 1960s and 1970s was fueled by Taiwan's large pool of unskilled and semi-skilled workers. However, with a growing number of developed countries restricting the import of traditional labor-intensive goods and with competition from other labor abundant countries increasing to expand its exports, Taiwan will need to increase its labor productivity, upgrade product quality, and export new and technically more sophisticated products. To succeed will require large amounts of human capital in the form of skilled laborers, technicians, engineers, and managers. The government recognizes this, and plans to expand and improve vocational and technical education and to promote in-house training by large companies. How quickly these plans are translated into programs and implemented will determine how rapidly Taiwan can move into the skill-intensive and power-efficient industries. The speed of this transition, its ability to conserve energy and reduce oil dependency, and whether it will avoid developing the most capital- and energy-intensive industries that are now in the Ten-Year Plan will determine, to a large extent, the pace and success of Taiwan's development in the 1980s.

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NOTES

1. While the relative position of farm households in Korea is less favorable than that in Taiwan, the problem of rural-urban imbalance is probably less serious in Korea than in most other less developed countries in Asia. See my "Rural-Urban Imbalance in South Korea in the 1970s," *Asian Survey*, XIX:7 (July 1979), pp. 645-659.

2. Given the Korean government's predilection for promoting favored industries and enterprises, it is not surprising that a relatively small number of industrial firms have accounted for a large share of Korea's industrial production and exports and that many industries have oligopolistic structures.

3. The discussion in the following paragraph is based largely on Hang-sheng Cheng, "Alternative Balance of Payments Adjusted Experiences: Korea and Taiwan, 1974-77," *Economic Review-Federal Reserve Bank of San Francisco*, Summer 1978, pp. 37-48.

4. However, in 1978 rice production was adversely affected by an unsuccessful experiment with a new rice variety, in 1979 it again declined because of widespread rice diseases, and in 1980 the decline continued because of drought.

5. In 1978, the deficits in the Grain Management Fund reached 370 billion won, accounting for nearly 13% of the increase in domestic credit in that year.

6. The domestic prices of many agricultural goods in Korea are more than twice the international prices. For example, the domestic prices of beef in mid-1978 were more than five times the international prices.

7. From 1962 to 1977, Korea's implicit GNP deflator increased at an average annual rate of nearly 17%. Because the prices of many consumer items were controlled, the actual rate of inflation was probably even higher.

8. ROK, *Economic Planning Board, Economic Management Plan in 1980*, February 1980, p. 2.

9. See Robert Shaplen's description of this episode in "Letter from South Korea," *The New Yorker*, November 17, 1980.
10. A fuller discussion is found in ROK, Economic Planning Board, *Economic Management Plan in 1980*, February 1980.
11. ROK, Economic Planning Board, "June 5 Economic Policy Measures: Background, Content, and Anticipated Effects," *Economic Bulletin*, No. 80-13, June 6, 1980.
12. *Far Eastern Economic Review*, September 26, 1980, pp. 101-102.
13. From July to September in 1980, bad checks for 140 billion won were written by Korean companies.
14. *Far Eastern Economic Review*, November 28, 1980, pp. 48-49.
15. After the January devaluation, the won depreciated another 13%, and at the end of 1980 the exchange rate stood at 657 won per U.S. dollar.
16. *Far Eastern Economic Review*, September 5, 1980, pp. 56-58 and October 17, 1980, p. 91.
17. The current energy program is focused primarily on reducing oil dependency. The Korea Energy Research Institute (KERI) projects that by 1991 51% of the fuel used to generate electrical power will be nuclear and 20% coal. The electrical power industry, which at present depends on oil for 80% of its fuel, will no longer construct any new oil-burning thermal plants. One nuclear station is now in operation and two more are expected to be completed by 1983. Four coal-fired thermal plants are also under construction. The switch from oil to coal and nuclear power in electrical power generation and from oil to coal in industry is expected to reduce Korea's oil dependency from 64% currently to 41% in 1991. This KERI projection, however, is somewhat optimistic.
18. *Far Eastern Economic Review*, December 12, 1980, p. 6.
19. Recent incidents involving dissenters include the 1977 riot in Chungli over alleged election irregularities and the larger, more organized 1979 disturbances in Kaohsiung.
20. ROC, Council for Economic Planning and Development, *Ten-Year Economic Development Plan for Taiwan, Republic of China (1980-1989)*, March 1980, p. 2.
21. Like Korea, Taiwan plans to switch rapidly from oil to coal and nuclear power. At present, one nuclear plant is operating; a second should be fully operational in 1982, and a third in 1985. By 1989, Taiwan expects 28% of its total energy needs will be provided by coal and 14% by nuclear power. This is an ambitious goal and will not be easy to achieve.

ASEAN AND THE PACIFIC COMMUNITY DEBATE: MUCH ADO ABOUT SOMETHING?

Rhondda M. Nicholas*

THE PACIFIC COMMUNITY CONCEPT¹ has arisen as the latest manifestation of the desire for closer regional cooperation among states. Interest in Pacific Basin cooperation was first articulated with any authority in 1967 and reached a new height in 1979–1980, culminating in the convening of the Pacific Community Seminar in Canberra in September 1980 with the sponsorship of the Australian government. Three interesting observations may be discerned in the discussions to date: first, that proponents of the concept are almost exclusively confined to the advanced countries of the Pacific Basin, notably the United States, Japan, Australia, and Canada; secondly, that a great majority of these proponents currently eschew a leading role for their own countries and maintain that the Association of Southeast Asian Nations (ASEAN) should assume preeminence in the movement to realize a Pacific Community; and third, that a considerable number of representatives from the ASEAN countries at these conferences have expressed skepticism and a wary approach to the concept. Will it lead ASEAN into a dependency relationship with the Pacific economic superpowers? Will it endanger the regional cooperation which ASEAN has built up at such great effort over the years and which is still fragile? Will it imperil ASEAN's standing with the non-aligned movement and the Group of 77? Furthermore, will it provoke a hostile reaction from the Soviet Union, which is likely to see the concept as an attempt by the United States to woo the ASEAN nations into an anti-Soviet alliance? Some proponents of the idea have recognized that the fears expressed by some ASEAN officials have substance and have sought to assuage these concerns.

In light of these developments, it is necessary to examine the case argued by the supporters of the concept to obtain a glimpse into the motivations of the proponents and deal with some of the speculation

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with regard to the factors that have led the advanced industrialized countries to lend their tacit support to the proposal.² Therefore, the first section of this article concerns the development of the concept, while the second part examines the issues raised by supporters and critics requiring solution before meaningful negotiations on the Pacific Community concept can eventuate. This article seeks further to illuminate aspects of the discussions that have hindered progress of the idea and to serve as a guide to the burgeoning literature on the concept.

A Concept For Which Time Is Ripe?

There is considerable disagreement as to whether this is the appropriate time to launch the Pacific Community concept. There are those who maintain that the Community already exists,³ others contend that the time for its establishment is long overdue,⁴ others again argue that the present is the most appropriate time,⁵ and still others that to implement the idea now is premature.⁶ Whichever the case may be, it is necessary to examine briefly the history of the idea in order fully to understand how the advocates arrived at their present position.

The first authoritative articulation of the idea of Pacific Basin cooperation appeared in 1967 with Kiyoshi Kojima's work on a Pacific Free Trade Area (PAFTA). Takeo Miki, then Japanese Foreign Minister, presented his concept of an "Asian Pacific policy" the same year, which represented the first official encouragement given to the notion.⁷ Kojima was sent on a fact-finding tour of the Pacific Basin countries and his proposal for a PAFTA was the result. This organization was intended to become a Pacific Basin equivalent of the European Economic Community (EEC) in order to provide a counterweight to the growth of the EEC in international trade.⁸ As a result of this initiative, a conference series—the Pacific Trade and Development Conferences (PAFTAD)—was convened with the support of the Japanese Foreign Ministry.

Since 1968, ten such conferences have been held, the delegates to which have been, for the most part, academics and businessmen. Realizing that a Pacific free trade area would require far more political, economic, and cultural cohesion than was evident in the Pacific Basin, the conference dropped this proposal and produced a blueprint for an "Organization for Pacific Trade and Development"—OPTAD.⁹ OPTAD was given a more concrete expression in a 1979 study commissioned by the U.S. Senate Foreign Relations Committee and prepared by Peter Drysdale of the Australian National University and Hugh Patrick of Yale.¹⁰

The OPTAD proposal, modelled after the OECD, envisages an inter-governmental organization composed of the five OECD countries of the Pacific, the five ASEAN countries, and South Korea with special arrangements for the inclusion of Taiwan, Hong Kong, and the Pacific Island states. According to its supporters, this organization

would avoid over-bureaucratization since its structure would only consist of a secretariat in each member country and regional problems would be dealt with on a task force basis.¹¹

Further support for the OPTAD concept has come from Lawrence Krause of the Brookings Institution, who presents the case for the establishment of the organization in two recent works.¹² A private grouping of Pacific area businessmen, the Pacific Basin Economic Council (PBEC), has also endorsed the concept and has been represented at conferences on the idea.¹³ Other advocates of Pacific Basin cooperation envisage a private, non-governmental organization that would possess only a consultative function and that would be a first step towards the eventual formation of an OPTAD-style body.¹⁴ From reactions at the conferences held up to the present time, this alternative certainly seems a more viable one for the developing countries of the region.

These are the most concrete formulations for a Pacific Community organization developed by proponents to date. Japanese interest in the idea was given vigor in late 1968 when Prime Minister Ohira announced his support for some form of Pacific area association. He established a private Pacific Basin Cooperation Study Group, initially headed by Saburo Okita, to study the concept further and to make specific recommendations. The Group's final report was produced in May 1980.¹⁵ Meanwhile, Okita had been named Foreign Minister, thus enhancing the official sanction given to the Study Group's work. The report, however, is not as concrete as the OPTAD and fails to outline a specific organization structure.

Several international conferences have been convened in the past eighteen months with the Pacific Community as their subject. These include the seminar on the Pacific Community and Latin America, held on Easter Island in October 1979;¹⁶ the Asian Dialogue in January 1980 held by the Japan Center for International Exchange (JCIE) at Oiso, Japan;¹⁷ the Bali conference on Asia-Pacific Economic Interdependence sponsored by the Centre for Strategic and International Studies, Jakarta, also in January 1980;¹⁸ the Canberra Pacific Community Seminar in September 1980;¹⁹ and the symposium on "Strengthening Pacific Area Economic Cooperation" sponsored by the Pacific Forum, Hawaii, in December 1980.²⁰ None of the groups of academics, businessmen, or government officials at any of these conferences saw fit to endorse the OPTAD proposal.

The Canberra Seminar has been seen as a turning point in the development of the concept. First of all, the Canberra conference was convened pursuant to a joint communiqué of the Australian and Japanese governments and was sponsored by the Australian government, making it the first such gathering given quasi-official backing. Secondly, it soon became clear at this meeting that there was substantial opposition from Southeast Asians toward the setting up of an inter-governmental organization. While there was no ASEAN consensus on

this point at the seminar, it is possible to speak of a general trend that could be discerned against "moving too far too quickly." The outcome of the seminar was to establish a Pacific Cooperation Committee (PCC), which would be an "unofficial, private and informal" body composed of 25 members from the countries represented at the meeting, and was largely a response to the cautious approach of a majority of the Southeast Asians present. It could be argued that this is the minimum consensus that the organizers had hoped for.

On an official governmental level, support for and interest in the establishment of an inter-governmental organization for Pacific Basin cooperation has been less than enthusiastic. In the U.S., active support has been confined to only a few Congressmen and some Department of State officials during the past couple of years. While hearings have been held by two Congressional subcommittees, little additional interest has been generated. There is no definite State Department approach to the concept, although some representatives have argued that the U.S. will not move on the idea unless the ASEAN countries favor it.²¹

Hence, most of the impetus behind the idea in the U.S. has come from a small group of academic economists and businessmen, and some interest in the concept has been awakened in a few actors on the political level. Certainly many Pacific-oriented, American observers have welcomed the discussion because it has been considered a way to involve the U.S. in the Asia-Pacific area again and to correct the imbalance of the U.S.'s dealings with the Atlantic region. With the advent of the Reagan administration some commentators believe that there will be a greater emphasis on the Pacific; however, this remains to be seen.²²

As stated previously, Japanese interest in the Community at an official level has been more widespread than in the U.S. and more encouragement has been given to Japanese economists working on the idea. A number of studies of the concept are under way at research institutions in Japan as they are in the United States. However, there has been some concern expressed that since the late Premier Ohira and Okita are no longer in power, support for the Pacific Community may be on the wane in official circles in Japan.²³

In Australia, a group of economists at the Australian National University have been devoting some time to the concept. On an official level, Prime Minister Malcolm Fraser first expressed his support for the idea at the UNCTAD meeting in Manila in 1979. Meeting with the late Premier Ohira in Canberra last year, the two leaders publicly endorsed the concept, and Fraser agreed to sponsor the Canberra seminar in September 1980. However, there was an antecedent to Australia's interest—in 1973 the Australian Senate Standing Committee on Foreign Affairs and Defence gave its approval to an OPTAD-style organization.²⁴

Since questioning of the motivations of the proponents and the developed countries has become a major stumbling block in the discussions, the claims and counterclaims of the proponents and critics will be examined in some detail.

The Proponents' Case

Virtually all discussion of a Pacific Basin cooperative organization has been from an economic perspective. This is not surprising considering that so many of the proponents are economists or businessmen. It should not be thought, however, that the proponents represent a cohesive bloc, since indeed the viewpoints of some promoters of the idea differ substantially from those of the economists. For present purposes, since the concept has been most forcibly argued by a certain group of economists who take a similar approach, it is their case that will be examined. Major representatives of this group are Sir John Crawford, Peter Drysdale, Kiyoshi Kojima, Lawrence Krause, Hugh Patrick, Sueo Sekiguchi, and Saburo Okita. This group generally maintains that the body they would like to see set up would be primarily concerned with economic issues.

The major reason all supporters advance for the necessity of such an organization is the need to manage more successfully than in the past the degree of economic interdependence among Pacific Basin economies.²⁵ In fact, a considerable degree of interdependence is acknowledged by all parties to the discussions.

Interdependence, however, creates policy problems. . . . It is generally believed that increased economic interdependence reduces the potency of national policies . . . it concerns the problem of how to organize international economic relations so as to adapt the system of these relations to the fact of interdependence. The central theme of international relations today is still concerned with the problem of how to keep the manifold gains from extensive economic transactions while at the same time preserving the freedom for each nation to pursue its legitimate economic and social objectives.²⁶

Proponents point to three factors that have caused this interdependence: first, the remarkable economic growth of Japan; second, the dynamism of the advanced developing nations of the region; and third, the downturn in the economies of Western Europe.²⁷ If it is acknowledged that the interdependence of Pacific Basin economies is a reality and that the Pacific is the new growth center of the world economy, it may be asked why another international organization is necessary to manage this interdependence.

First, the proponents point to certain national policies put into effect by several Pacific Basin countries in the 1970s such as the American soybean embargo, Korea's 1974 devaluation of the won, and Australia's tariff hikes on labor intensive manufactures as indications that national policy makers will adopt "beggar thy neighbor" policies for domestic reasons, which could have disastrous consequences on the economies of other states.²⁸ Thus, there is a need to consult in order to avoid such deleterious results in the future. Such selfishness could be overcome during the heady growth period of the 1960s and the 1970s, but gloomy forecasts for the economic climate for the 1980s indicate that such irresponsibility can no longer be afforded.²⁹

Second, the establishment of a Pacific Community would help to counter the worldwide trend towards protectionism.³⁰ This trend has been particularly damaging for the advanced developing nations since access to the markets of the industrialized countries for labor-intensive manufactures will continue to be increasingly restricted. Many proponents believe that multilateral negotiations on import concessions could succeed where bilateral and global bargaining has failed.

The expectation, or at least the hope, would be that the political economy of trade in each western Pacific country could accommodate import policy assurances and concessions more easily when they were linked by international agreement to opportunities for further expansion of the country's most productive industries. Vested interest in export expansion could be brought into direct conflict, and so help to balance vested interests in protection.³¹

Some advocates also argue that a Pacific Community organization would provide an excellent opportunity to tackle issues of the North-South debate.³² They contend that some of the vexing questions associated with the debate can more successfully be managed on a regional level than in the stalled UNCTAD talks since smaller numbers of like-minded nations would find it easier to reach agreement.

Furthermore, proponents argue that existing institutions are not capable of addressing these issues with any degree of success. The UNCTAD has not produced significant results for the developing countries of the Pacific Basin. Moreover, while the developed countries of the region have a chance to meet each other and discuss problems in the OECD and IMF, these are not suitable fora for discussing problems of such magnitude as they are too limited, either geographically or functionally. The GATT does provide a body for discussing issues pertaining to trade, but advocates of a Pacific Community believe that a regional body could better tackle certain North-South concerns.³³

At least one of the supporters has argued that the creation of a regional body to deal with these issues would be consistent with ASEAN, since ASEAN itself represents a move towards multilateralism in its dealings with non-member countries. Accordingly, the Pacific Community would reinforce this trend away from bilateralism thus strengthening the position of the smaller economies in the region.³⁴

Membership of the proposed organization creates thorny problems in both the political and economic sense. Taken in sheer geographical terms, South Korea, Taiwan, Hong Kong, the Pacific Island states, China, the Soviet Union, the Indochinese countries, the Pacific seaboard states of Latin America, and possibly the countries of South Asia would all be candidates for membership. The advocates of the Community, however, argue that such a large membership would introduce political conflict into the organization and render it all but ineffective.

Many of the proponents, particularly economists, contend that it is necessary initially to confine membership to the Pacific Basin market

economies in order to have a sufficient consensus and to avoid ideological problems. Thus the members of an OPTAD-style body would include the U.S., Canada, Japan, Australia, New Zealand, the ASEAN grouping, and South Korea.³⁵ Still other advocates would like to see Taiwan, Hong Kong, the Pacific seaboard states of Latin America, the Pacific Island states, and China included. Others again emphasize that the organization should be as inclusive as possible.³⁶

Then there is the even more vexing question of leadership. Most proponents recognize that if the U.S. or Japan should take the guiding role the ASEAN countries would find it unacceptable.³⁷ They assert that such fears are groundless since the formation of such an organization would not increase any advantages the developed countries presently hold, and would indeed ameliorate any such advantages.³⁸ Some proponents urge ASEAN to take the helm itself and thus participate in shaping the direction of the body.³⁹ This may be seen in part as an effort to keep the momentum of the concept growing since the developed countries, particularly the U.S., could hardly continue to ignore the idea if the ASEAN countries expressed strong interest. These supporters recognize that unless considerable enthusiasm is shown at an official level in the U.S., it is unlikely that any progress will eventuate.⁴⁰

Finally, the proponents maintain that the Pacific Community should not, under any circumstances, be a political or military organization. Rather it should be solely an economic body:

Many economists including myself believe that the rationality of economic theory and the progress of technology are *neutral* and *universally applicable* despite any diversities rising from such factors as cultural and political conditions, the size of the economy, and its stage of development. [Emphasis added]⁴¹

And there lies precisely the problem the advocates have in convincing the Southeast Asians that a Pacific Community would be of mutual benefit. Many of the proponents are seeking economic solutions to what many ASEAN observers see as essentially political problems.

ASEAN Reservations

ASEAN has yet to meet as an organization to consider proposals for Pacific economic cooperation and while highly placed ASEAN officials, including ministers, have spoken at various conferences on the issue, each has been careful to point out that they were speaking in their personal capacities. Some officials have cautiously supported the setting up of a Pacific Community and, indeed, a majority have expressed a favorable response to the *idea* of wider regional exchange. However, a majority have also demonstrated considerable reservations. Of these, the following are the most salient points.

First, some Southeast Asians have questioned the whole notion of building a Pacific Community on economic interdependence.

Malaysia's then Home Affairs Minister Ghazali Shafie contended that economic interdependence is not a *sufficient* interdependence on which to form a community. "Economic dynamics have fostered increasing interaction in the Pacific Basin, but this interaction is fairly sterile in the sense that it is not accompanied by any consideration of genuine concern."⁴²

Thus, it would be necessary for the countries and peoples of the Pacific region to "get to know one another" before a true basis for building a community would be in evidence.⁴³ Such a process would of necessity be drawn out over many decades. As an Indonesian observer has pointed out, the Pacific Community concept must go through a "socialization" process to gain acceptance and be digested by all nations of the region. Only then could a true sense of community develop. Hence, for the concept of a Pacific Basin community to be attractive to the ASEAN countries, it would need to follow the path of a gradual evolution.⁴⁴ This, some commentators argue, is in keeping with the Southeast Asian pace of organization development. As another critic put it: "we should not try to build the building until we have a better idea of what will go on inside of it."⁴⁵

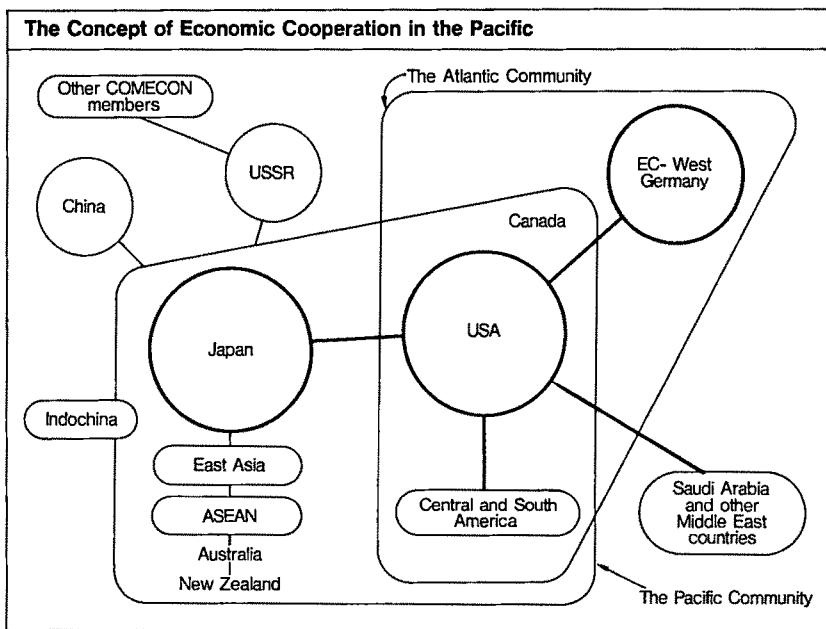
The second cause of anxiety to many Southeast Asians is the political problems they see ensuing from participation in such an organization. Some argue that ASEAN membership in a Pacific Community could divide ASEAN from the rest of the developing nations in the Group of 77.⁴⁶ They would be regarded as having been duped into collaboration with the advanced nations of the Pacific for little tangible benefit and without considering the other developing countries. Furthermore, others contend that even if the organization were to address North-South issues, these problems require global solutions, not regional ones.⁴⁷

Then there is the problem of great power rivalry in the Pacific; as presently proposed, a Pacific economic grouping could be interpreted as an ideological bloc, since it is proposed to include only market economies.⁴⁸ The Soviet Union may react with hostility to such an organization, and indeed has already charged that the ASEAN states are being lured into an anti-Soviet alliance disguised as an economic consultative body.⁴⁹ Such a situation could endanger ASEAN's standing with the non-aligned movement. Moreover, the ASEAN states' interest in coming to terms with the situation in Indochina and reaching a *modus vivendi* with Vietnam would not be assisted by joining an organization that excluded that nation.⁵⁰

Then again, fears have been expressed by some ASEAN representatives that the Pacific economic superpowers are attempting to draw ASEAN into a dependency relationship. One observer has gone so far as to suggest a conspiracy between the three developed countries most commonly associated with the concept to involve the ASEAN states in closer collaboration for strategic purposes.⁵¹ This would be a more plausible argument if more interest had been generated at the official level in the developed countries. In the case of Australia, it could

be interpreted as a way of reinvolving the U.S. in the Asia-Pacific area and thus assuaging Canberra's security concerns. The same argument could also be applied to Thailand to explain why some Thai observers have been more enthusiastic than their ASEAN colleagues in supporting the concept.

Nonetheless, it must be borne in mind that interest at the official level in at least two of the developed countries has been at best lukewarm, and little support has been forthcoming from either the U.S. or Australian bureaucracies. The case with regard to Japan may be somewhat different given the official encouragement shown the concept. Indeed, illustrations such as Figure 1, which are sometimes taken as indicative of official Japanese thinking by Southeast Asians, do not do much to advance the case for a Pacific Community, as it appears that the analyst has carved out spheres of influence for the two economic superpowers of the Basin. Most Southeast Asians have expressed their desire to make any organization that may be set up as inclusive in membership as possible to avoid just such an occurrence.⁵²



(Nomura Research Institute)

Another problem causing concern to some ASEAN participants in the debate is the mode of membership. Proponents have generally made it clear that they would welcome the ASEAN states participating as a bloc and operating as such.⁵³ Hence, according to these advocates, ASEAN's unity would not be diluted by its membership. However, as some observers have pointed out, ASEAN's major successes to date have been in dealing on a foreign policy level with non-ASEAN

countries—e.g., ASEAN's dispute with Australia over the latter's international civil aviation policy. What some Southeast Asian observers fear is that ASEAN's cohesiveness may be more difficult to maintain in a larger organization.⁵⁴

The third category of concern for the Southeast Asians may be termed functional issues. Many question what the proposed organization would do that could not be accomplished within the ambit of the plethora of organizations already existing to serve the Asian-Pacific region.⁵⁵ They remain largely unconvinced that a Pacific Community organization would be any more successful than, for instance, ESCAP. Furthermore, is it likely that nations would be willing to sacrifice more of their sovereignty in order for protectionism to be reduced and free trade facilitated?

Furthermore, Southeast Asian observers have inquired what exactly ASEAN could gain by joining the body. ASEAN already has considerable bilateral discussions with the major developed nations of the Pacific Basin. And thus, some argue that another consultative mechanism is not necessary.

Hence, until advocates of the concept can point to tangible benefits that ASEAN could gain by participating and until the idea is explained in a clearer fashion it is highly unlikely that the ASEAN nations will be attracted to the idea if the debate on the concept up to the present is indicative. As the then Malaysian Home Affairs Minister put it:

For ASEAN at least a Pacific Basin concept that exacts a political price for the economic benefits promised will constitute a problem. An essential precondition for ASEAN acceptance of the concept, is the guarantee that it does not impair ASEAN's links within itself and its wider South-east Asian, Pacific and global links, in the interests of peace. Essentially, any Pacific Basin concept, to be acceptable to ASEAN, must represent a natural extension of ASEAN's activities in the wider regional and global circles.⁵⁶

Malaysian officials have been the most vocal in expressing reservations to the idea and since Datuk Seri Mahathir bin Mohamad and Tan Sri Ghazali bin Shafie are now Malaysia's Prime Minister and Foreign Minister, respectively, this trend may be expected to continue. In contrast, the concept enjoys some substantial support in Singapore in both government and academic circles. Similarly, in Thailand the community has some well-placed proponents, the most prominent of which is Deputy Prime Minister Thanat Khoman. No clear trend of support or opposition is discernible as yet in Indonesia or the Philippines, although in the latter case, some participants in the debate have taken a cautious approach.

Future Directions

Obviously, several major problems remain for all parties in the debate to consider. Several factors may be alluded to that have stymied

progress in the development of the concept. First, proponents of the concept have encountered so much negative or cautious reaction from the ASEAN states because Southeast Asians have been put on the defensive by the proponents' desire to see ASEAN champion their cause. ASEAN observers have been reacting to a concept which is not *of* ASEAN, in the sense that it did not originate or have any vigorous advocates in Southeast Asia. Hence, while the *idea* of Pacific Basin cooperation may be attractive to ASEAN representatives, they are not willing to be ahead of even the developed nations in sanctioning it. Furthermore, ASEAN has more pressing problems to deal with at the present time, such as the situation in Indochina.

Second, the participants in the debate use two different conceptions of a community. The first is a narrow interpretation employed by the proponents, which envisages a community as an organization that will address regional problems of an economic nature alone. Critics of the concept seem to have in mind a wider interpretation of the term "community"—perhaps a more humanistic one. They foresee a body that would develop contacts and cooperation in many spheres: "In this sense, a community is any process of social interaction which gives rise to a more intensive or more extensive attitude and practice of interdependence, cooperation, collaboration and unification."⁵⁷ Thus, there is disagreement as to whether economic interdependence is sufficient to form a community. Perhaps the use of the term "community" was a misnomer.

The difference in conceptions of what a community should be may be traced to the background of participants in the debate. The majority of the proponents are economists by training, while the ASEAN representatives invited to discussions on the concept are very often diplomats who view the idea from a political and security perspective.

This has led to the third, and perhaps the most problematic issue for Pacific Community proponents to address: the fact that in consultative meetings and conferences they are often talking at cross-purposes with the very people they wish to attract to the proposed organization, that is, the ASEAN officials. On the one hand, the proponents point out that an organization, as they conceive of it, could only benefit the developing nations of the region in *economic* terms. On the other hand, ASEAN officials are pointing to the *political* costs of membership.

Another instance of such misinterpretation may be evidenced when the ASEAN officials assert that a Pacific Community should give priority to North-South issues and seek a solution to these thorny questions on a regional basis. The proponents assert that a Pacific Community organization would improve the economic position of the developing countries in time, and thus a solution to North-South issues is implicit in the very creation of a Pacific Community. Once again, the political-economic dichotomy is evident; many ASEAN officials see the North-South conflict as requiring essentially a *political*

solution while the advocates of the concept see the solution to this issue in increased *economic* cooperation brought about by the setting up of a Pacific Community organization.

Until both sides recognize the differing perceptions and approaches they bring to consultative meetings and conferences designed to advance the case for Pacific Community cooperation, the idea will not progress far. Both the proponents and the ASEAN officials at such seminars maintain that they are seeking the same goal—a better slice of the economic cake for the developing countries of the region. What is required is a more comprehensive approach from the proponents taking into account both the economic and the political issues and the differing notions of community formation. The proponents need to be able to convince the ASEAN states how the probable political costs would be defrayed; the burden of proof lies with them.

Government officials in the advanced countries have no doubt been observing the progress of discussions on the concept with some interest. However, in an interdependent world in which international economics and politics are so intertwined they have been so far unwilling to commit themselves, for the most part, to what may amount to yet another academician's "pie in the sky." Until the proponents put forward more concrete proposals taking into account the economic-political linkages, it is highly unlikely that the concept will move beyond private academic/business discussions. Perhaps the first problem to be addressed is the catch-cry heard all too often at these conferences: "we need to get to know each other better"—and not just in economic terms.

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NOTES

1. The concept is also known as the Pacific Basin Cooperation Concept, the Pacific Basin Community Concept, or the Pacific Economic Community.

2. Speculation with regard to the motivations of the developed nations has been rife: for the U.S. see: M. Ghazali Shafie, "Towards a Pacific Basin Community: A Malaysian Perception," paper delivered at the conference on New Foundations for Asian and Pacific Security, Thailand, December 1979; Han Sung Joo, "The Pacific Community Proposal: An Appraisal," *mimeo*, Korea University, 1979; for Japan see: Lee Poh Ping, "Reflections on the Pacific Community Concept," *Asia Pacific Community*, No. 8, (Spring 1980), p. 35; Derek Davies, "Exploiting the Pacific Tide," *Far Eastern Economic Review*, December 21, 1979, p. 47ff.; Han Sung Joo, "The Pacific Community Concept: An Appraisal"; for Australia see: Stuart Harris, "Changed International Trade and Resource Relationships: The Economics/Politics Links Renewed," *World Review*, 19:1 (April 1980), p. 29; Lee Poh Ping, "Reflections," p. 35; Saburo Okita, "The Pacific Community Idea," paper delivered at the East Asia Program of the Woodrow Wilson International Center for Scholars, March 1979; Susumu Awanohara, "Clearing Hurdles in the Pacific," *Far Eastern Economic Review*, February 1, 1980, p. 44.

3. Lester L. Wolff, "Toward Cooperation and Interdependence," Center for International and Strategic Studies (Jakarta), (ed.), *Asia-Pacific in the 1980's: Toward Greater Symmetry in Economic Interdependence*, papers presented at the CSIS Conference, Bali, January 1980 (Jakarta: CSIS, 1980), p. 161 (hereinafter referred to as Bali Papers).

4. William V. Roth, Jr., "New Perspective on the Pacific Basin," Bali Papers, p. 26.

5. See, for example, Lawrence B. Krause, "The Pacific Economy in an Interdependent World—a New Institution for the Pacific Basin," paper delivered at University of Washington, Seattle, Washington, October 1978.

6. Gerardo Sicat, "The ASEAN and the Pacific Region," lecture delivered as part of the Pacific Community Lecture Series, East-West Center, July 1980, p. 2.

7. Kiyoshi Kojima, "Economic Cooperation in a Pacific Community," lecture delivered as part of the Pacific Community Lecture Series, East-West Center, May 1980, pp. 2ff.

8. The PAFTA proposal envisaged the five OECD countries of the Pacific as founding members with the developing nations of the region being admitted as associate members. Kojima, "Economic Cooperation."

9. Also known as an Organisation for Pacific Trade, Aid and Development.

10. Peter Drysdale and Hugh Patrick, "Evaluation of a Proposed Asian-Pacific Regional Economic Organization," in Congressional Research Service, Library of Congress, *An Asian-Pacific Regional Economic Organization: An Exploratory Concept Paper* (prepared for the U.S. Senate Committee on Foreign Relations), (Washington, D.C.: Government Printing Office, 1979).

11. *Ibid.*

12. See Lawrence B. Krause, "Pacific Economy," and Lawrence B. Krause and Sueo Sekiguchi, "Dealing With Change," in Lawrence B. Krause and Sueo Sekiguchi, (eds.), *Economic Interaction in the Pacific Basin* (Washington, D.C.: The Brookings Institution, 1980).

13. Pacific Basin Economic Council (PBEC), "Policy Position on the Pacific Economic Community," presented at the 13th General Meeting of PBEC, Sydney, May 1980. PBEC endorsed the concept, but no specific organizational structure.

14. Narongchai Akrasanee, "ASEAN and Pacific Economic Cooperation: A Survey of Issues of Interdependence," paper prepared for ESCAP, August 1980.

15. The Pacific Basin Cooperation Study Group (Tokyo), *Report on the Pacific Basin Cooperation Concept* (Tokyo: Pacific Basin Cooperation Study Group, 1980).

16. Instituto De Estudios Internacionales de la Universidad de Chile, *La Comunidad del Pacifico en Perspectiva* (Santiago: Editorial Universitaria, 1979).

17. Japan Center for International Exchange, *The Pacific Community Concept: Views From Eight Nations*, The Proceedings of the Asian Dialogue at Oiso, Japan, January 1980 (Tokyo: JCIE, 1980), (hereinafter referred to as JCIE Papers).

18. Bali Papers.

19. Sir John Crawford and Greg Seow (eds.), *Pacific Economic Cooperation: Suggestions for Action* (Selangor, Malaysia and Singapore: Heinemann Educational [Asia], 1981).

20. Pacific Forum, *Strengthening Pacific Area Economic Cooperation* (Honolulu: Pacific Forum, 1981).

21. Charles E. Morrison, "American Interests in the Pacific Community Concept," JCIE Papers, pp. 35ff.

22. John Edwards, "Now is the Time But Which Course Will the Skipper Steer," *Far Eastern Economic Review*, November 14, 1980, pp. 10ff.

23. Sicat, "ASEAN and Pacific Region," p. 15.

24. Parliament of Australia, *Japan: Report of the Senate Standing Committee on Foreign Affairs and Defense* (Canberra: Australian Government Printing Office, 1973).

25. See, for example, Krause, "The Pacific Economy," pp. 11ff.

26. Hadi Soesastro, "Economic Relations in the Asia Pacific Region," *Indonesian Quarterly*, VII:4 (October 1979), p. 28.

27. Krause, "The Pacific Economy," p. 8.

28. *Ibid.* See also, Sir John Crawford and Saburo Okita (eds.), *Raw Materials and Pacific Economic Integration* (London: Croom Helm, 1978), Part III, especially pp. 148–166.

29. Krause and Sekiguchi, "Dealing With Change," pp. 259-262.
30. Ross Garnaut, "Australia in the Western Pacific Economy," paper presented to the Winter School of the New South Wales branch of the Economics Society of Australia and New Zealand, Sydney, August 1980, p. 9.
31. *Ibid.*, p. 12.
32. See, for example, H. Edward English, "Asian-Pacific Economic Prospects: Opportunities and Impediments," Bali Papers, p. 54.
33. *Ibid.* See also Krause, "The Pacific Economy," p. 16.
34. Sir John Crawford, "The Pacific Basin Cooperative Concept," speech delivered at the Pacific Basin Economic Council (PBEC) Meeting, Sydney, May 1980, p. 4.
35. See Drysdale and Patrick, "Evaluation," p. 21.
36. Han Sung Joo, "Thoughts on the Pacific Community Proposal: A Korean View," JCIE Papers, p. 48; Kernial Sandhu, "A View From ASEAN," paper delivered at the New Zealand Institute of International Affairs, Wellington, April 1980; Ghazali Shafie, "Towards a Pacific Basin Community," p. 14.
37. Charles E. Morrison and Anne F. Miyashiro, "Issues in Pan-Pacific Cooperation," JCIE Papers, pp. 10-11.
38. Lawrence B. Krause, "The Pacific Community Idea: Preparing for the Next Phase," paper presented to the Pacific Forum Symposium, "Strengthening Pacific Area Economic Cooperation," Makaha, Hawaii, December 1980, p. 14.
39. Kiyoshi Kojima, "Economic Cooperation in a Pacific Community," p. 13.
40. English, "Asian-Pacific Economic Prospects," p. 59.
41. Kojima, "Economic Cooperation," p. 9.
42. Ghazali Shafie, "Towards a Pacific Basin Community," p. 14.
43. Mahathir bin Mohamad, "Tak Kenal Maka Tak Cinta," Bali Papers, pp. 12ff.
44. Hadi Soesastro, "The Pacific Community Idea: Much Ado About Nothing?," paper presented at the Second Korea-Indonesia Conference organized by IFES and CSIS, Seoul, October 1980, p. 2; Mahathir bin Mohamad, Bali Papers, "Tak Kenal Maka Tak Cinta," p. 17.
45. Carl S. Green, "Towards Pacific Economic Integration: Making Haste Slowly," JCIE Papers, p. 106. Some participants have suggested that the Pacific Community should follow the same development path as that of ASEAN, see Ghazali Shafie, "Towards a Pacific Basin Community," p. 12; Sicut, "ASEAN and Pacific Region," pp. 4ff.
46. Lee Poh Ping, "The Pacific Community: The View of the Malaysian Study Group," JCIE Papers, p. 71.
47. Ghazali Shafie, "Towards a Pacific Basin Community," p. 6.
48. For example, see: Lee Poh Ping, JCIE Papers, pp. 68-70; Albert Widjaja, "Towards a Pacific Basin Community in the 1980's: An Indonesian Perspective," JCIE Papers, p. 62.
49. Y. Bandura, "The Pacific Community: A Brain Child of Imperialist Diplomacy," *International Affairs* (Moscow), June 1980, pp. 63-70.
50. See, for example, Zakaria Haji Ahmad, "The Pacific Basin and ASEAN: A Note on Problems and Prospects," *Contemporary Southeast Asia*, (forthcoming).
51. Ghazali Shafie, "Towards a Pacific Basin Community," p. 7.
52. For example, a Singaporean economist would like to bring in Mexico to lessen ASEAN fears: Lim Chong Yah, "Toward the Formation of a Pacific Community," speech delivered to the Japanese Chambers of Commerce and Industry, Singapore, December 1979. See also: Jesus Estanislao, "The Philippines and the Pacific Community Concept," JCIE Papers, p. 76.
53. Krause, "The Pacific Economy," p. 16.
54. Sicut, "ASEAN and Pacific Region," pp. 19-21.
55. Robert Keatley, "Making the Pacific into Community," Bali Papers, p. 167.
56. Ghazali Shafie, "Towards a Pacific Basin Community," p. 14.
57. Hadi Soesastro, "The Pacific Community Idea," p. 2. For further development of the prerequisites of community formation see Everett Kleinjans, "Thoughts on a Pacific Community," paper presented to Asia/Pacific Round Table, Washington, D.C., May 1980.

THE CHITTAGONG HILL TRACTS IN BANGLADESH: INTEGRATIONAL CRISIS BETWEEN CENTER AND PERIPHERY

Syed Nazmul Islam*

SINCE JANUARY 1976, the law enforcement agencies in different parts of the Chittagong Hill Tracts in Bangladesh have come under repeated attacks by the so-called Shanti Bahini (Peace Corps).¹ In these attacks with sophisticated modern weapons, a dozen law enforcement personnel have either been killed or seriously wounded. Naturally, this causes the government of Bangladesh serious concern and arouses the interest of researchers who specialize in the study of political development.

The immediate steps taken by the government have been two-fold: the law enforcement authority has been strengthened, and the government convened a convention² to which most of the influential tribal leaders were invited with the aim of inducing them to persuade the dissident militant groups to reach a peaceful solution to the problem. Regardless of the success or failure of the government's venture in this connection, the important point for researchers in political development to consider is that the cause of militant action by anomic groups in this district is still unknown. This article will examine the primary sources of this violence and the factors that have led to the emergence of the militant "Shanti Bahini" as a dissident force demanding full autonomy for the Chittagong Hill Tracts.³

This type of crisis is not unknown in new nations burdened by ethnic or racial conflicts and primordial sentiments. In the political

* In the period of 1976-1978, I worked as a research fellow for the Project "Tribal Leadership and Political Integration" under the auspices of the Faculty of Social Sciences, University of Chittagong, Chittagong, Bangladesh. During that period I toured the GHT extensively and interviewed more than one hundred tribal people, leaders, administrative officers, employees of the government, and semi-government organizations for the purpose of collecting data for the project. I used some of these data and information in this article. Therefore, I am very thankful to R. I. Chowdhury, Chief Director of the project and Dean of the Faculty of Social Sciences, University of Chittagong, for his permission to use these data and information for further scholarly research.

development literature the malintegration of ethnically diverse societies is usually recognized as the major problem for their leadership. National integration has become a favorite theme of writers on the politics of new states.

Bangladesh emerged as a nation state on December 16, 1971 by seceding from the uncontiguous union of Pakistan. Unlike many emergent nations of Asia and Africa, Bangladesh has most of the factors needed to become an integrated nation state. The only exception is the Chittagong Hill Tracts (CHT), one of the 19 districts of Bangladesh. With less than 1% of the population of Bangladesh, this district contains a traditional society with divergent religions, languages, and primordial sentiment that stand in the way of national integration.⁴

The two imperatives facing the leadership of every emerging nation are, first, the creation of national identity and, second, the demand for raising the standard of living through economic development.⁵ Soon after independence, the new leadership of Bangladesh realized the intensity of the first problem—i.e., national integration. This is evident from the adoption of nationalism as one of the four basic principles of state policy,⁶ which was bitterly criticized by the lone member of parliament from the tribal area, Manabendra Narayan Larma.⁷ In January 1975, Bangladesh switched to a one party presidential form of government from a multiparty parliamentary government, and Larma went underground soon after this constitutional change. After 1975 pro-autonomy dissidents in CHT demonstrated increasing militancy by storming police stations, looting market places, and attacking ferry boats on Lake Kaptai.

This militant activism symbolized the reaction of aspiring tribal leaders to attempts by the national leadership to integrate a culturally divergent CHT with an otherwise culturally homogeneous society. The impediments to this integration process can be categorized into two types: first, the givens¹⁸ or preexisting cultural factors, namely, differences in social structure, ethnicity, language, religion and customs; and second, induced factors, which include both developmental programs and the consequences of these programs.

The Givens

Social Structure: Like many other countries of Asia, Bangladesh has faced the crises of national identity in the CHT, whose social structure differs markedly from that of the other 18 districts of the nation. Geographically, the district of CHT belongs to the hilly region that branches off from the Himalayan ranges to the south through Assam and Tripura to Arakan in Burma. The historical development of this hill region has been different from that of the low lying alluvial plains of Bangladesh. For some time it was under the Sultans of Bengal. The Mughals conquered it from the Arakanese in 1666 and it remained in Mughal possession until 1760 when it was ceded to the East India

Company. It became a territorial part of East Pakistan with the independence of Pakistan. The district ceased to be a tribal area with a gazette notification of the Pakistan government issued on January 10, 1964.⁹ Despite the fact that over the centuries this border region has experienced a succession of invasions and ruling dynasties,¹⁰ the people of the district have enjoyed a high degree of autonomy with respect to their internal administration in every phase of the different dynasties. This, in turn, has contributed very much to the development of tribal solidarity. Consequently, the present administrative structure of CHT is a dyarchy-tribal administration and a civil administration that reflects the persistence of the tribal structure. In terms of civil administration of the central government of Bangladesh, the district is under the jurisdiction of a Deputy Commissioner (district administrator) and is subdivided into three subdivisions (corresponding to the tribal circles) administered by three Subdivisional Officers. The Deputy Commissioner is the administrator, executive, and judge (sometimes) of the district. The Subdivisional Officers assist the Deputy Commissioner in administering the district. Each of the three subdivisions again is subdivided into several Thana or Police Stations. The Police Officer in Charge is the administrator of each Thana, being responsible for preventing violation of laws and crime.

However, in terms of tribal administration, the CHT is divided into three circles with a chief or raja as the head of each circle. This position is a hereditary institution. The raja is the ultimate authority in tribal and social affairs, and is the symbol of the unity and integrity of the people of his circle. Functionally, he is the administrator, judge, and lawmaker in tribal affairs. Disobedience of his orders or failure to show him due deference is tantamount to a grave social offense. He also does much for his people. He must keep himself aware of "weal and woe" of the people of his circle. He listens patiently and is accessible to all who have complaints. Occasionally, he presides over religious performances. Apart from maintaining law and order in his circle, he maintains effective liaison and good neighborliness with tribes of his adjoining circles.

With respect to relations with the central government, he represents his tribes at the national level. He is the link between tribal people and the district administration. The chief is the principal member of the Advisory Council to the Deputy Commissioner, providing all help, information, and advice to the Deputy Commissioner for the proper administration and development of his circle. He collects revenue for the government through the headmen.

The administrative set-up of tribal affairs is based on a three-tiered structure, the circle, the mouza, and para, in descending order. The chief is on the top and below him is a headman for each mouza, which is composed of several villages or para. The headman is the link between a mouza and the chief. The headman is selected by the chief and endorsed by the Deputy Commissioner, who never vetoes the chief's selection. The post of headman is hereditary. He collects land revenue and tax for jhum farming (a type of slash and burn agriculture used in the hills) from the people of his area. Whereas he shares a portion of

jhum tax with the chief, he deposits the entire amount of land revenue to the chief who, in turn, deposits it to the district administration. The headman is the lieutenant of the chief and executes the chief's orders and maintains peace and discipline in his mouza. He performs some judicial functions in minor cases.

The lowest position in the hierarchy of tribal administration is that of karbari, also a hereditary post. He is the formal leader of the village or para. He maintains peace and order in the locality and represents his para to his superiors.

For the preservation of long-standing traditions of tribal structure, the government of Pakistan adopted the following basic principles for the administration of the district on June 30, 1967. These principles are applied by the Bangladesh district administration as well.¹¹

- (1) No middleman would be allowed between the representatives of the government and the tribal people. All lawyers and attorneys were directed to refrain from playing foul with matters between two hillmen in the court.
- (2) The maximum simplification of legal procedure should be observed. In other words, the hillmen should not be overburdened with expenses in the process of adjudication.
- (3) Administration of justice should be quick and expeditious.
- (4) Noninterference in tribal laws, customs, and norms that regulate tribal life.

Thus, with these principles, the government restrained the district administration from interfering in tribal social affairs other than legal matters, which require the interference of administrative authority. While the codified laws of the land are applicable to the rest of the country, they are considered to be unsuitable for the primitive hill man. The persistence and working of this dyarchy in the CHT reinforces the tribal people's allegiance to the tribal chiefs rather than to the central government.

Ethnicity: The present population of the Chittagong Hill Tracts is 508,199,¹² of whom 90% belong to twelve distinct tribes. The four major tribes are the Chakma, the Marma, the Tipras (which are dominant in the Rangamati, Ramgarh, and Banderban circles, respectively), and the Mros, which are allied to the Marma. Though there is a difference of opinion regarding the origin of some major tribes (Chakma, Tipra), taking every argument into account, it appears that they are of the same origin.¹³ They have close links with hill peoples of the vast region that extends from Tibet to Indochina, but these tribesmen are ethnically different from the settled population in Bangladesh.¹⁴ Differences of ethnicity contribute to an integrational crisis in many countries in Asia.

Language: Each tribe living in CHT speaks its own dialect and language. The mother tongue of the Chakmas is a perverted form of

the Bengali language written in Burmese characters; the Marmas speak Arakanese, a dialect of Burmese; the Tipras, a language of their own akin to Kachari. The rest of the tribes speak different Assami Burmese tongues of their own.¹⁵ Among the dialects of different tribes, the Chakma dialect comes nearest to Bengali, yet it is quite different from the Bengali language, the mother tongue of almost all the Bangladeshi.

It has been argued that language has sometimes been held to be the essential basis of national conflicts.

The reasons why a unilingual state is stable and multilingual state unstable are quite obvious. A state is built on fellow feeling. To state briefly it is a feeling of a corporate sentiment of oneness which makes those who are charged with it feel that they are kith and kin. This feeling is a double edged feeling. It is at once a feeling of "consciousness of kind" which on the other hand, binds together those who have it so strongly that it overrides all difference arising out of economic conflicts or social gradations and, on the other, severs them from those who are not of their kind. It is a longing not to belong to any other group.¹⁶

Since all the tribes of the CHT speak different languages from the rest of the unilingual Bangladeshi, a sense of tribal solidarity is created that impedes the course of national identity in this area.

Religion: Another hallmark of crisis of national identity in this region is the difference between the religion of the tribal people and the dominant Muslim religion of the people of the rest of Bangladesh. The religion of the major tribes of CHT is Buddhism. Most of the minor tribes are animistic in religion. The partition of India into two states, India and Pakistan, is the most outstanding example of the impact of religion on national integrity. Although the factor of different religions is not in itself sufficiently formidable to induce the tribal people to demand a separate homeland for themselves, the differences can contribute to undermining the forces for national integration in this region, as in the cases of the Muslim Arakanese in Buddhist Burma, the Ambonese in Islamic Indonesia, the Islamic Moros in the Christian Philippines, and the Sikhs in Indian Punjab.¹⁷

Custom: Nothing could be farther from the truth than to picture the inhabitants of the Chittagong Hill Tracts as primitives, if one means by that term survivors of some prehistoric age in their pristine purity. Nonetheless, the hillmen are quite different from the people of the plains. Tribal affiliation plays a great role in their lives. Their social organization, marriage customs, death and birth rites, food, techniques of agriculture, and other social customs differ markedly from those of the rest of Bangladesh.¹⁸ Differences in custom form a basis for a certain amount of national disunity almost everywhere.

Induced Factors

The Karnafuli Project and Its Impact: It is held by some writers that

in traditional areas any new investment policies must be evaluated and implemented with caution, keeping in view the prospective purpose they would serve for both the region and the nation. As Myron Weiner writes, "Once the state takes on new investment responsibilities—whether for roads and post offices or for steel mills and power dams—questions of equity are posed by the regions' tribes [and] linguistic groups which make up plural societies."¹⁹

The Karnafuli multipurpose project, begun in 1957 and completed in 1962, has contributed considerably to the enhancement of tribal solidarity. The project, which was constructed to accelerate economic development in East Pakistan (now Bangladesh), had serious effects on the economy and life patterns of the people in this region. The dam submerged an area of approximately 400 square miles, including 125 mouzas and the major portion of the district headquarters at Rangamati. The submerged area includes 54,000 acres of settled, cultivable land—i.e., about 40% and 90% of the total acreage of the district and Rangamati subdivision, respectively. About 10,000 plowing families and 8,000 jhumiya families totaling more than 100,000 persons have been affected by the flooding.²⁰ After a fairly vigorous search, it was possible to settle the displaced persons in about 20,000 acres of flat cultivable land of somewhat inferior quality. Compared to the original 54,000 acres, this meant a net loss of 34,000 acres of land. Of 18,000 families, 11,761 have been rehabilitated so far. The average land holding of the 10,000 families having permanent rights to land in the reservoir bed was estimated at six acres per family, but the new settlements in the non-submerged and de-reserved areas provided them with scarcely two acres of land per family on average.²¹ The dam not only submerged a large amount of cultivable land, but also caused irreparable damage to the jhum pattern of cultivation²² and created serious unemployment problems for the tribal people.

Job Opportunities and the Influx of Non-tribals into the Area: Although the government is trying to solve the unemployment problem by encouraging the tribal people to take up other occupations such as fishing, horticulture, etc., the response has not been encouraging. The reason is twofold: (1) the circumstantial disadvantages, and (2) the hillmen's lack of professional skills. However, the creation of job avenues has caused a massive influx of non-tribals into the area, which is one of the main reasons for the revolt that has occurred. The massive influx of non-locals can be gauged from Table 1. While in 1951 the tribal population in the CHT totaled 261,538 and the number of non-locals was 26,150 (approximately 91% and 9%, respectively), by 1974 the population figures were 449,315 and 58,884, respectively. The growth rate of non-tribal people was significantly greater than that of tribal people—125.1% vs. 71.7%. Now, let us turn to the main point and examine how the tribal people are being exploited by the non-locals in different job avenues.

TABLE 1: Tribal and Non-Tribal Population of Chittagong Hill Tracts in the 1951-1974 period

	Population		Percentage Increase
	1951	1974	
Tribal People	261,538	449,315	71.7
Nontribal People	26,150	58,884	125.1

SOURCE: 1951 Census of Pakistan and author's interview with Subdivisional Public Relation Officer, Rangamati, CHT.

Currently, there are about 3000 registered fishermen²³ on the lake created by the dam. The local people comprised only 20–25% of the total number,²⁴ and those who are engaged in fishing come from that group who were uprooted by the submergence of their land. They are extremely poor and live at a subsistence level. Their economic difficulties become more acute when the fish catch is very low because many unscrupulous non-local businessmen lend money to the local fishermen on the condition that they supply fish to the former when harvests are good at very much lower rates than the existing market rate. Moreover, the commercial supply of fish is completely regulated and controlled by the non-locals, which has caused considerable indignation among the tribal people.

Another supplementary occupation encouraged by the government is horticulture, with pineapple as the main product. Recently many displaced tribal people undertook the production of this fruit because it can be produced in the hills with minimum labor. But in this also the tribal people are exploited by the non-local money lenders and businessmen who buy fruit at very nominal prices when the pineapple plants are in bloom and no other cash crops are ready for harvesting—i.e., a period of economic hardship for the tribal people. The fruit would bring a much higher price at harvest time, but even then the wholesale buyers control the price. Thus, the locals have to sell their fruit at the low prices fixed by the non-local businessman. This problem has been created because government-sponsored buying centers are lacking.²⁵ To minimize the dependency of the tribal people on the money lenders, the government adopted a policy of giving agricultural loans to the pineapple growers at a nominal rate of interest. Nevertheless, some officials of the loan-granting agencies indulge in corrupt practices, which further discourage the tribal people from taking such loans and builds hatred towards such officials.²⁶

The explosive rate of population growth has led to a growing landlessness among Bangladesh agriculturalists. Because of the relatively lower price of hill lands, many fortune seekers settle down in this district. Although the 1900 Manual of the CHT restricts the purchase of land by non-locals, some people have bought land in this area by promising to give the seller high prices. In most cases, the tribal people

have been deceived with regard to the prices promised during the negotiation of the purchase.²⁷

The CHT is basically agrarian, and almost all the people of the area are agriculturalists. Previously, the hillmen produced all their daily necessities by themselves and commercial transactions played a very insignificant role in their economic life. The tribal people are therefore unaccustomed to business as a profession. The submergence of vast areas by the lake water deprived the majority of the tribal people of production of many daily commodities and made them dependent upon external supplies to fulfill their needs. This has resulted in a heavy influx of non-local fortune seekers and unscrupulous traders into the area.

Several categories of people came to the CHT—tourists, businessmen, traders, or settlers—none of which is welcomed by the tribals. The lake created by the dam is large and picturesque, so the towns of Kaptai and Rangamati have become tourist attractions. The tourists, people with a wider and more liberal outlook towards life, come to visit and have fun, but are alleged to have corrupted the tribal culture and way of life.²⁸ And the outsiders who come to make their fortune exploit the tribal people. Therefore, outsiders in general are never welcomed no matter what the purpose of their visit.

Government Policies and the Tribal People's Increased Awareness of Differences

Taking the general backwardness of the tribal area into account and the sacrifices its inhabitants have made for the good of the rest of the country, the central government has undertaken many development projects designed to compensate the area. The projects included the improvement of the transport and communication systems, the spread of education, and the provision of such modern amenities of life as hospitals and markets. Since the undertaking of these programs, the number of primary schools increased from 222 in 1962 to 842 in 1976. There was only one college in the district in 1965; now there are four, including one technical college. With the introduction of a modern education system and expansion of education facilities to the tribal people, the number of literate persons has risen from 49,280 in 1961 to 77,851 in 1974.²⁹

To enhance the tribal people's economic development and also to increase local participation in development activities, the government created the Chittagong Hill Tract Development Board at Rangamati in 1976. The consultative body of the Board is comprised of three tribal chiefs, representatives of most of the headmen, and other elite of the area. Since its inception, the Board has undertaken 25 projects of different types, the work on which is progressing rapidly with the participation of the local people. With the intention of showing the people the developmental activities that are taking place all over the country as well as in the tribal area, radio and television sets have been provided by the Board to the different Community Centers.³⁰ Modernization plans

undertaken by the government (after the construction of the project), such as the increase of literacy, improvement of communication, local participation in developmental projects, and the provision of modern audiovisual mass media, helped the tribal people to gain a clear understanding of the differences between their area and the rest of the country. This growing awareness enhanced tribal solidarity. As Welch has pointed out, the dilemma of modernization is that social change and participation may lead to an expansion of communal solidarity, rather than an integration of diverse groups.³¹

Current Crisis—The Emergence of Shanti Bahini: The immediate cause of the emergence of a militant dissident group was the rebellious outburst of aspiring non-traditional tribal leaders to the efforts by the national leadership to integrate culturally the divergent CHT with the rest of Bangladesh. The majority of these leaders came from the Chakma tribe, who had been severely affected by the construction of the Karnafuli Hydro Electric Project.³² The Chakmas, however, were also the principal recipients of the government's rehabilitation benefits, particularly the educational facilities extended to the affected tribal people. Consequently, at the end of the 1960s, a group of modern educated youths, capable of providing leadership to the tribal people, emerged in the area. This educated class was, in fact, the instrument for the articulation of "anti-non-locals sentiment" among the Chakma people. Nevertheless, a pro-autonomist dissident group did not emerge in the 1960s because during that period there was no influx of plainsmen into the area to concern the tribal people. Moreover, Raja Tridib Roy, Chief of the Chakma tribe, was pro-Pakistani in his political outlook, and was also the symbol of integrity and cohesion of the Chakma tribe. Both these factors prevented the growth of a pro-autonomist dissident group among the Chakmas.

However, when Bangladesh came into being in 1971, Tridib Roy remained in and subsequently opted for Pakistan, leaving the Chakma tribe without a chief until 1978.³³ The tribal people became perplexed; their solidarity was threatened, and under these circumstances the new educated class was able to obtain a significant hold on tribal leadership. Thus, in 1973 when a parliamentary election was called in Bangladesh, the new leadership was successful in mobilizing tribal public opinion and got their leader, Manabendra Narayan Larma, elected to the Bangladesh Parliament. In parliament, the central leadership by a great majority of votes had a resolution passed declaring Bangladesh a unilingual and unicultural nation state. Larma was infuriated, and demanded that the tribal status of his area be restored, but his demand went unheeded. In 1975, Bangladesh switched over to one-party presidential rule and disbanded parliamentary government as well as existing political parties (except the ruling Awami League), and Larma went underground soon after. Since then, the pro-autonomist group, the Shanti Bahini, has emerged and demonstrated increasing insurgency.

The Shanti Bahini is a militant group armed with sophisticated

modern weapons. It has been reported that Larma is providing the leadership of the Shanti Bahini, which is composed of roughly two to three thousand guerrilla members.³⁴ Although the membership came overwhelmingly from the dissatisfied educated Chakma youths, it has been assumed that some armed collaborators of Pakistan's defeated army in Bangladesh joined the group. Moreover, collaboration with the Mizo dissident group from the adjoining Indian state of Mizoram and the Karen secessionist group from Burma is a strong possibility. With the active cooperation of these two groups, the Shanti Bahini seem to have obtained an arms supply.³⁵ The main tactics of the Shanti Bahini are ambush and sabotage of the movements of Bangladesh police, law enforcement personnel, and the armed forces. At times they demonstrate their militancy by storming police stations, looting market places, and attacking ferry boats on the lake. Although Shanti Bahini is a pro-autonomist dissident group, they sometimes demand the complete secession of the CHT from the union of Bangladesh and the formation of an independent state with the cooperation of other secessionist groups from neighboring countries who are engaged in similar struggles. It is on this point that the Shanti Bahini does not seem to obtain support from the other dominant tribes, particularly the Marma. In fact, the Marma tribe feels that if the CHT secedes from Bangladesh and forms a separate independent state under the leadership of the Chakma elite, the Marma would be exploited and dominated by the Chakmas.³⁶

Whatever may be the radical points of the Shanti Bahini's objectives, the main reasons for tribal resentment are the heavy influx of outsiders into the area, which is generally believed to jeopardize their economic and cultural entity. Therefore, the popular slogan of the Shanti Bahini personnel has become: "Bangalira Hill Tracts Charo paharee jatir upar julam bandha kara" (The Banglees quit Hill Tracts and stop exploitation of the hill people).

Conclusion

To sum up, it may be held that the recent disturbances sparked by militant dissidents in the name of Shanti Bahini are the results of accumulated grievances as well as the reaction of aspiring tribal leaders to attempts by the national leadership to integrate the culturally divergent CHT with the otherwise culturally homogeneous society of Bangladesh. At the same time, one may point to the insignificance of this secessionist tendency of the tribal people in view of their low percentage of the total population. This argument is partially true. Although it is unfeasible for the tribal people to secede from Bangladesh and form a separate homeland for themselves, still in recent times the insurgencies of tribal peoples in many countries of Asia (e.g., the Mizo tribesmen in India, the Karen in Burma, the Moros in the Philippines) have caused the central government serious concern. The recent upsurge in Assam in India has alarmed the government in Dacca because

it may push them into a complicated situation. First, some Indian politicians have remarked that "Bangladesh was somehow involved in the Assamese troubles,"³⁷ and this sort of feeling may induce Indian leaders to an act of retribution by instigating the CHT tribal people to a massive insurgency against the Dacca government. Second, the tribal people of the CHT may derive inspiration from the Assamese. Although the Assamese are not tribal people, their insurgency bears similarities to that of the CHT people in the sense that the rebellious upheaval of both peoples was sparked by the heavy influx of non-locals into their areas.

However, Bangladesh, having been overburdened by many socioeconomic problems, cannot afford the luxury of keeping the CHT economically unintegrated with the rest of Bangladesh. The CHT's vast natural resources, electricity, paper, fish, timber, and horticultural produce contribute enormously to the nation's economic development. This economic integration must be accompanied by social and political integration in order to avoid charges of internal colonialism by the tribal people. This venture of social and political integration, however, should in no way be allowed to clash with traditional values, which can be utilized conscientiously to hasten modernization and political socialization. Transforming a sentiment of group loyalty into a fact of national integration is extremely difficult but not impossible.³⁸

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NOTES

1. Although Bangladesh experienced the problem of integration in a somewhat mild form in this hilly region intermittently after independence, the activism of dissident militant forces has recently been intensified. See Michael T. Kaufman, "Migration Sparks Bangladesh Tribal Revolt," in the *New York Times*, Tuesday, July 29, 1980, p. A3. See also, *The Khabar* (The News) Dacca (Bangladesh), July 27, 1980, p. 1.

2. On July 23, 1976, the deputy commissioner of CHT called a convention of the headmen (*karbari*), and other influential leaders in the local cinema hall to induce the local leaders to persuade the dissident militant groups. See *The Daily Ittefaq* (Dacca, Bangladesh), July 26, 1976.

3. The inhabitants of the area reported that the Shanti Bahini, after their militant exercise, chanted slogans in favor of full autonomy for the CHR and also demanded that all non-locals quit CHT immediately.

4. S. N. Islam, "The Karnafuli Project: Its Impact on the Tribal Population," *Public Administration* (Dacca University, Bangladesh) 3:2 (Summer 1978), p. 28.

5. C. Geertz, "The Integrative Revolution," in Geertz, *Old Societies in New States* (London: The Free Press, 1963), p. 108.

6. The Constitution of Bangladesh embodies four "basic principles of state policy": Democracy, Nationalism, Socialism, and Trust in Almighty Allah.

7. Manabendra Narayan Larma, member of the then Parliament of Bangladesh from the CHT, challenged the idea of Bangladesh nationalism when the new leadership included it on the basis of one language, one culture, and one ethnicity, arguing that the

Chittagong Hill Tracts, his constituency, had ethnicity, culture, traditions, and language different from those of Bangladesh. See Bangladesh, *Proceedings of the Constituent Assembly*, Dacca, 1974.

8. Geertz, "The Integrative Revolution," p. 109.

9. M. Ishaque (ed.), *Bangladesh District Gazetteers: Chittagong Hill Tracts* (Dacca: Bangladesh Government Press, 1971), Preface.

10. *Ibid.*, p. 25.

11. Author's interview with a Bangladesh district administrator who was a member of the Bangladesh government's team that negotiated with the Shanti Bahini. He expressed his desire to remain anonymous.

12. Islam, "The Karnafuli Project," p. 29.

13. A. Sattar, *In the Sylvan Shadows* (Dacca: Saquib Brothers, 1971), p. 271.

14. Bessaiguet, *The Tribesmen of CHT*, (Dacca: Asiatic Society of Pakistan, 1958), p. 5.

15. Ishaque, *Bangladesh Gazetteers: CHT*, pp. 201-203.

16. Geertz, "The Integrative Revolution," p. 110.

17. *Ibid.*, p. 113.

18. Ishaque, *Bangladesh Gazetteers: CHT*, p. 46.

19. Myron Weiner, "Political Integration and Political Development," in Claude E. Welch, Jr. (ed.), *Political Modernization: A Reader* (Belmont, California, 1967), p. 154.

20. Islam, "The Karnafuli Project," p. 31.

21. *Ibid.*, p. 32.

22. Jhum cultivation is usually done on the ridge and creep of the hills and the interval period between two farmings is 7 to 10 years. Hence, there is no record of how much jhum land lies under water. The only figure available in this respect is that 8000 jhumia families have been affected.

23. Many of these fishermen were from the Ganges delta and settled in the CHT after being displaced from their original area by the devastating cyclone of East Pakistan's coastal area on November 12, 1970.

24. The local hillmen were never accustomed to fishing until the creation of the lake (which has become a vast habitat for different kinds of fish), so many lack the proper skills. The 20-25% include many fake local fishermen who take advantage of the government's policy of providing fishing materials free to the tribal people. With the intention of procuring these costly materials free of charge and subsequently selling them to the non-local fishermen, many fake local fishermen registered themselves with the Fisheries Development Corporation. Information provided by F. D. C., Rangamati, Bangladesh.

25. S. A. Imam, *Chittagong Hill Tracts at a Glance* (Rangamati, Bangladesh: CHT Development Board, 1976), p. 35.

26. Author's interview with tribal people.

27. *Ibid.*

28. Author's interview with tribal people.

29. Imam, *CHT at a Glance*, Appendix 1.

30. *Ibid.*, p. 12, appendix X, and p. 14.

31. C. E. Welch, "The Comparative Study of Political Modernization," in Welch (ed.), *Political Modernization: A Reader*, p. 10.

32. About 90% of the Chakma people were affected by the dam, and a similar percentage of Chakma people were displaced from the original settlement.

33. In 1978 Debashis Roy, the son of Raja Tridib Roy, became 18 years old and was crowned as the Chief of the Chakma tribe. However, since Raja Debashis Roy is very young, many tribal people think that he cannot properly maintain tribal solidarity and cohesion as his predecessors did.

34. Michael T. Kaufman, "Migration Sparked Bangladesh Tribal Revolt"; also, author's interview with a Bangladesh district administrator.

35. *Ibid.*

36. Author's interview with Marma chief.

37. Michael T. Kaufman, "Migration Sparked Bangladesh Tribal Revolt."

38. C. E. Welch, "The Comparative Study of Political Modernization," p. 11.

CONTROLLING THE BUREAUCRACY IN POST-MAO CHINA

Maria Chan Morgan*

THIS ARTICLE will describe the origins of the anti-bureaucratic campaign in the years between 1977 and 1980, explain the tactics used to control bureaucratism in the post-Mao period, and evaluate the consequences of and future prospects for attempts to control the bureaucracy.

The campaign against bureaucratism appears to have undergone two stages. In the first stage, which lasted roughly until the end of 1978, the problems with the bureaucracies were identified as mainly political in nature. In the second stage, which began in the winter of 1978 and continues today, the inadequacy of administrative performance has been the chief target of the campaign. Accordingly, remedies for Stage I bureaucratic problems were mainly political, but later shifted to a more technical emphasis. This article will argue that the bureaucratic problems in modern China are rooted deeply in the legacy of the Chinese socialist experience, especially the Cultural Revolution. The difficulty the Chinese leaders now have in controlling the bureaucracy is symptomatic of the gap between the requirements for the institutionalization of a legal-rational type of bureaucracy on the one hand and the existing social and economic structures on the other. However, whether a legal-rational organization is desirable for the Chinese system, or necessary for modernization purposes, is beyond the scope of this article.

The Anti-Bureaucratic Campaign

After the death of Mao in September 1976 and the arrest of the Gang of Four a month later, the new leaders lost no time in launching a rectification campaign within the Chinese Communist Party. The purpose of the campaign was two-fold: (1) to restore party authority that

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had been badly shaken by the divisive politics within the central committee since the controversial purge of Lin Biao in 1971; and (2) to remove party members who were supporters of the Gang of Four. During 1977 and 1978, numerous references were made in the Chinese press to rampant factionalism that was deemed damaging to party unity. It was implied that the followers of the Gang of Four formed their own cliques—"organizing mountain tops," as the Chinese press put it—and defied central supervision.¹ In addition to factionalism and other political variants of defiance of central authority, officials admitted the existence of other serious problems such as the avoidance of responsibility, corruption, bribery, waste, poor work style, and failure to practice democratic centralism.² Such vices were not news to the Chinese. In the early 1950s when they conducted what were known as the three-anti and five-anti campaigns, or in the early 1960s when the four-clean campaign was heralded in the countryside, such bureaucratic misdemeanors were also the targets of those campaigns. The difference between this latest campaign and the previous ones is that the failures of the party bureaucrats this time were blamed on their susceptibility to the Gang of Four's propaganda against authority and discipline. When they initiated this rectification campaign within the party, the new leaders appeared to have hoped that by discrediting the Gang of Four and the values they embraced, they could restore discipline within the party. The priority for the new leaders at that time was to consolidate political power and support. By laying much of the bureaucratic problem at the feet of the Gang, the Beijing leaders tried to provide an easy way out for those cadres who had been sympathetic to the Gang for a variety of reasons but who could now be coopted by the new administration with a minimum of recrimination.

The problem of factionalism within the party, however, went much deeper than adherents to the Gang of Four. In fact, the ease with which Qiao Guan Hua, the former vice-foreign minister, and Mao Yuan Xin, the former political commissar of the Shenyang Military Region, and numerous others were removed from office indicated that resistance by the Gang faction was minimal. Yet criticism against factionalism persisted in the press in 1979, suggesting that party disunity and bureaucratic infighting came from other sources. The Chinese press admitted as much when they mercilessly caricatured two other factions, called the "wind" faction, or opportunists, and the "ambivalent" faction. The opportunists were those bureaucrats who survived the Cultural Revolution by singing to the tune of the radicals in their condemnation of "capitalist roaders within the party" and then protested that they were the victims of radical propaganda after the arrest of the Gang of Four.³ The ambivalents were those bureaucrats who became so weary with the changes in political fortunes that they would not commit themselves to new policy changes, nor would they act against the so-called deviants.⁴ These two groups were dragging their feet in the anti-bureaucratic campaign against the remnants of the Gang of Four, and they too came under increasing attack in 1978.

But these factions were symptomatic of a deeper problem having to do with the decentralization of the bureaucracy that took place before the death of Mao, the sociology of the bureaucracy since the Cultural Revolution, and the still fragile political coalition that was formed to oppose the Gang of Four in 1976 but which is still divided on many other issues. Thus, when *Renmin Ribao* complained in August 1978 that party interests were being replaced by factional interests, it was referring to a phenomenon of factionalism that had many sources.⁵ Some were based on personal loyalty, some on survival instinct, some on indifference to leadership changes in Beijing, and some on opposition to new policies, but they all led to excessive independence in different levels or segments of the party organization and threatened the leadership's attempt at national consolidation.

Not surprisingly, the rectification campaign went rather badly in 1978 and produced unexpected violence when some veteran cadres who were disgraced during the Cultural Revolution tried to settle old scores with vengeance. Ye Jianying, chairman of the NPC Standing Committee, was reported to have told a delegation in April 1978 that the central committee was surprised by the violence that accompanied the campaign in which about 1.1 million people were arrested and over seven thousand PLA soldiers were killed or wounded.⁶ He admitted that the campaign had the adverse effect of weakening party leadership since it raised many uncomfortable questions about the role of some present leaders during the Cultural Revolution.⁷

The Chinese press in the spring of 1978 corroborated the above report that the central leadership was frustrated by the ineffectiveness of the anti-bureaucratic campaign. Many party bureaucrats appeared too preoccupied with reversing the verdict of the Cultural Revolution and thus created instability within the party. As a result, lower-level officials in the government were afraid to carry out the new policies advocated by Deng Xiaoping lest he should lose his influence. It became clear to the new leaders that factionalism should be eliminated not only in the party but also in the government bureaucracy. Thus, *Renmin Ribao* suggested in March 1978 that the rectification campaign be extended to all government units throughout the country, and that nine types of deviants should be removed from leadership positions in the party and government bureaucracies.⁸ Apart from the followers of the Gang of Four, they were: (1) those who made mistakes or had poor attitude; (2) those who practiced fascist methods of oppression; (3) those who deceived or robbed the people; (4) those who engaged in factional activities; (5) those who had no production experience; (6) those who had lost their revolutionary commitment; (7) those who held political ideas similar to the Gang of Four; and (8) those who engaged in empty talk but did very little.⁹ As might be expected, such ambiguous and overlapping criteria for the elimination of bureaucratic careers only added confusion to the rectification campaign. Not surprisingly, many officials conducted the campaign with neither passion nor enthusiasm.

By the end of 1978, the campaign against bureaucratism had clearly changed from one that attacked political factionalism to an attack on administrative incompetence. The change was signalled by a *Renmin Ribao* editorial that suggested that problem-solving skills and the ability to take initiative to ask questions were the criteria of a good cadre.¹⁰ A number of factors accounted for this shift of emphasis. As the new leaders felt increasingly confident of domestic support for their modernization program, they recognized that the implementation of such policies should be the priority. But they were confronted with an administrative apparatus characterized by incompetence, personnel redundancy, and an aging leadership rich in revolutionary experience but lacking in professional skills. At the same time, the modernization of the economy, military, and science and technology became even more urgent as relations with the Soviet Union deteriorated further because of Vietnamese incursions into Chinese territories. As the Chinese prepared for their punitive war against Vietnam, the mobilization for the war effort brought home to them the inadequacy of their administrative organization.

In the exchange of hostilities between Vietnam and China during February 1979, some Western analysts detected, and some Chinese officials admitted later, that the initial phase of the Chinese invasion into Vietnam was poorly coordinated and organized.¹¹ The heavy casualties suffered by the Chinese caused considerable consternation at home and produced a serious crisis within the Chinese leadership.¹² The debate among the leaders concerned not so much the justification of the Chinese invasion, but the priorities and strategies of the four modernizations. The war had obviously produced a serious strain on the meager resources of the country, but the burden on the economy came from other sources as well. The government had decided in early 1979 to raise the prices paid to peasants for food to bring up the standard of living in the countryside.¹³ The treasury was drained further by compensation payments to workers and former disgraced officials for their loss in wages during the Cultural Revolution. Large investments were also made in capital construction in heavy industries. The war with Vietnam was in fact the last straw that forced the Beijing leaders to reexamine their economic program. The wholesale importation of foreign technology and equipment was challenged by some, and the reliance on material incentives to increase productivity was also questioned.¹⁴ The lack of money forced the Chinese to suspend about U.S.\$2.5 billion in contracts with Japanese manufacturers of plant equipment in early March 1979.¹⁵ In April, a work conference was held in Beijing to reassess the economic program, and a month later the leaders decided on a major slowdown in the modernization plans, especially in heavy industries.¹⁶ At the same time, readjustment of the bureaucracies was given serious consideration.

By the summer of 1979, bureaucracy reform was acknowledged as the prerequisite to the four modernizations. More holdovers from the Maoist era were ousted from the Politburo so that there was greater

unity of leadership at the very top to symbolize the solidarity of support for new policy changes.¹⁷ At the same time, the leaders discouraged the removal of too many officials lower down the party and government hierarchies who identified with the Cultural Revolution for fear that continuous struggle against these officials would only distract the organizations from the task of reviving the economy.¹⁸ *Renmin Ribao* warned in March 1979 against going too far in replacing leaders at a time when the country was trying to stabilize and forge ahead economically.¹⁹ In short, factionalism was to be healed rather than exposed. It was no longer viewed as the key obstacle to controlling the bureaucracy. Nor was the failure to practice democratic centralism. Although Hua Guofeng told the Second Session of the Fifth National People's Congress in June 1979 that strengthening democratic centralism among cadres was essential to the four modernizations, he went on to suggest that an overhaul of the recruitment and examination systems was even more important to make bureaucrats better public servants of the society.²⁰ He ridiculed the "iron rice bowl" system that gave such job security to cadres that they were promoted but never demoted, recruited but never dismissed. Hua concluded his speech by warning that there were two forms of bureaucratism to be overcome: the passive bureaucrats who evaded responsibility, who held conferences but never made decisions, or who never implemented decisions if they were made at conferences; and the authoritarian bureaucrats who issued commands to lower-level cadres without paying attention to objective considerations.²¹ Of the two, one may infer from the customary ranking that the former are considered the greater offenders.

The dependence of the four modernizations on a rational administrative system was even more explicitly spelled out by Deng Xiaoping in his January 16, 1980 speech to a congregation of cadres in Beijing.²² Deng believed the modernizations *required* a rational party and government organization whose membership should be recruited on the basis of expertise, first and foremost, and asserted:

Let me say something about the relationship between red and expert. Expert does not mean red, but red requires expert. If you are not an expert, and don't know much, but blindly take command . . . you will only delay production and construction. Unless we resolve this question we cannot realize four modernizations. . . . From now on, in the selection of cadres we should pay special attention to expert knowledge. . . . Unless we do so, we cannot proceed with modernizations.²³

The professionalization of the bureaucracy, in short, is the present leaders' answer to the problem of administrative incompetence.

Since then, more rational reforms have been proposed to improve the bureaucracies. In the June 1980 issue of the party journal *Hongqi*, it was pointed out that some of the 18 million party bureaucrats in the country are "mindless, irresponsible, ignorant but blindly taking command."²⁴ The writer lamented the lack of specialists and the prevalence of aging bureaucrats in the higher echelons of the party and government organizations and proposed to remedy the situation by abolishing

life-time tenure for the bureaucrats. He defended the suggested reform by arguing:

There are at least these advantages [in abolishing life-time tenure]: first it helps to recruit young talents . . . and guarantees to give the various organizations a breath of fresh air; second, it helps to overcome bureaucratism; and third, it helps to change some people's attitude that a bureaucratic job is an "iron rice bowl". . . .²⁵

In another *Hongqi* issue a month later, Song Renqiong, head of the party Organization Department, also singled out the age of bureaucratic leaders as the greatest problem with Chinese organizations. He too recommended the introduction of mandatory retirement for officials.²⁶ Before the opening of another session of the National People's Congress in September 1980, the need for rejuvenation of organizational leadership became the dominant theme in official pronouncements. Deng told Oriana Fallaci in an interview:

Enough with old men who continue to be in power until the day of their death, enough with lifelong tenure of the leaders. It has not been put on any paper that the old men must rule, that the leaders must lead all their lives, and yet this mistaken habit continues to dominate our system and to be one of our shortcomings.²⁷

In the four years after Mao's death, the anti-bureaucratic campaign was motivated first by a desire for political stability, but later by a desire for improved administrative capabilities. As political opposition within the bureaucracies was neutralized, the leaders recognized that unless the modernization goals were soon realized, there would be disaffection with both the leaders and the policies they advocate. To streamline the bureaucracy for the purpose of administering the modernizations program effectively thus became the paramount concern of the Beijing government. Let us examine next the means by which the Chinese leaders proposed to resolve the problems they identified.

The Means of Bureaucratic Control in Post-Mao China

Just as the rectification campaign in 1977-1978 focused mainly on political issues, but shifted to administrative issues in the beginning of 1979, the devices used by the Chinese to control such problems can be separated into ideological and political means on the one hand, and technical, managerial means on the other. After Mao's death, the new leaders at first relied heavily on the political means that were most familiar to them. The rectification campaign itself, conducted mostly through intensive media propaganda and in struggle sessions against the supporters of the Gang of Four, was a political means through which the new leaders hoped to achieve party unity and political stability. Another political device was the reiteration of the notion of demo-

cratic centralism. Hua Guofeng, for example, told the students at the Central Party School that:

We should work hard to revive and carry forward our Party's democratic style of work and uphold democratic centralism, and resolutely oppose the bad tendencies of tolerating no contrary opinions, of "what I say goes," of retaliating against comrades who make criticisms, of disregarding discipline and organization and seeking "independence" from the Party.²⁸

This concept was echoed in official speeches and in the press throughout 1977 and 1978, culminating in the first official publication of Mao's 1962 speech on Democratic Centralism.²⁹ The purpose was to teach the young and new members of the party about the fine traditions in this regard.

A third political device contemplated by the present leaders to control the bureaucracy was to subject officials to mass supervision through the ballot. In November 1978, *Renmin Ribao* suggested that the overly centralized personnel system encouraged cadre indifference to local demands because their promotion and demotion were made at the top elsewhere.³⁰ It proposed the direct election of basic-level cadres, but at the same time allowed high-level echelons to appoint officials in unspecified special circumstances. Nevertheless, it insisted that such appointees should be subject to dismissal by the people during the period of probation.³¹ The election of cadres was endorsed by Hua in his speech to the Second Session of the Fifth National People's Congress in June 1979. He suggested that not only should the leading cadres in the rural communes be elected by the people, but also that mining and commercial enterprises should have their basic-level leading cadres selected through popular election. He also advocated the gradual extension of this method to higher levels. Furthermore, in government units that are not conducive to popular election—presumably a reference to the military—the performance of the bureaucrats should be evaluated at the end of each year through a public opinion poll.³² The Chinese leaders seem convinced that the public can help identify and promote to leadership positions those who are selfless and efficient and who possess organizational skills and technical expertise. The validity of such assumptions is of course questionable, since those objective criteria have seldom played an influential role in determining voters' choices even in an open, democratic contest. Where a candidate's political acceptability has to be predetermined, as in the case of China, it is even more questionable whether popular election will ever achieve its objective.

As the campaign against bureaucratism shifted focus from political issues to administrative issues at the end of 1978, rational managerial means were proposed to improve bureaucratic performance. Increased attention was paid to bureaucrats' old age and lack of professional skills. In the *Beijing Review*, for instance, it was admitted that:

According to figures available in 1978, cadres competent in specialized work accounted for less than one-third of the nation's total, and among qualified scientists and technicians, the average age of those having reached the level of associate researchers was 58.³³

The targets for managerial rationalization are technical specialization, recruitment on the basis of merit, and the lowering of the average age of leading cadres.

Officials now make it clear that possession of expertise is the primary requirement for leadership positions in party and government organizations.³⁴ This is a significant departure from the emphasis placed on seniority, as measured by one's revolutionary experience, during the Maoist period. In June 1980, *Renmin Ribao* condemned the practice of giving top priority to seniority in the selection and promotion of cadres as "a manifestation of the poisonous vestige of feudalism."³⁵ The professionalization of the bureaucracy is fostered by educational reforms that place a premium on academic achievement.³⁶ An increasingly large number of Chinese students are sent abroad to acquire skills not only in science and technology, but also in capitalist-style management. Many government departments and enterprises try to organize various types of training classes and evening schools to help upgrade cadres' technical skills.³⁷ While the young are in the process of acquiring greater expertise, the older cadres who were professionally trained in the 1950s are being promoted. Deng made no secret of this in his January 1980 speech:

We need more and more people with special skills. But does this mean that we don't have any skilled people right now? No, but our party committees at various levels have not made special effort to identify, cultivate and help such people. . . . From now on, special attention should be paid to promote those in their forties. Why in their forties? Those are the people who entered into universities in the 1950s. . . . They were about twenty-five years old then.³⁸

Since politics had not yet replaced factual knowledge or scientific inquiry in university curricula in the 1950s and admissions to universities were based on academic merit, the graduates then were more professionally qualified than their counterparts a decade later. Such experts are sought not only by the government agencies that require their skills, but are also courted by the communist party to become members. For the party wants the vanguards of the state organizations to be truly red and expert.

In the area of personnel recruitment, no system of bureaucratic examination similar to the U.S. Civil Service Examination exists at the time of this writing. But officials acknowledge that "set-ups for examining cadres, supervising them, giving out awards and punishments, and for seeing to their removal, rotation and retirement, all remain to be established or improved."³⁹ Song Renqiong announced that more and more leadership positions will be reserved for graduates of universities and secondary technical schools only, and that the emphasis from

hereon will be on the selection of cadres from among outstanding young and middle-aged people of a high cultural, scientific, and technological level.⁴⁰ Meanwhile, the State Council laid down temporary regulations in May 1980 with regard to the evaluation and promotion of engineering and agricultural technicians, and recommended that all those who were promoted after January 1967 should come under closer scrutiny and need to meet technical standards before they can retain their positions in the organization.⁴¹ The Beijing leaders dramatized their determination to make their bureaucracy a meritorious organization by publicly giving one of their vice-premiers a demerit on his record for his negligence in an oil-rig accident and dismissing the Minister of Petroleum for his failure to take responsibility in the same tragedy.⁴²

Yet another aspect of the bureaucracy that the Chinese attempt to rationalize is the replacement of aging leaders. The need for organizational renewal, a Maoist theme during the Cultural Revolution, continues to occupy the minds of his successors even though they have repudiated his method of cultivating revolutionary successors. The National People's Congress in September 1980 underlined the leaders' determination to transfer power to a younger generation as eight of the top, aging leaders resigned their government positions as premier and vice-premiers to make room for new blood.⁴³ No mandatory retirement age has been set for bureaucrats, but seniority is rejected as the basis for promotion. Song Renqiong recommended that job reassignment should be made for the old and the frail, and that the incompetent cadres should be investigated, rectified, and, if necessary transferred.⁴⁴ *Hongqi* advised old cadres to retreat to the second and third lines to make room for the young and consoled them by suggesting that they could serve as the mentors of the young by passing their experience and legacy to the new generation.⁴⁵

Conclusion

We have described what the present Beijing leaders have perceived as problems with their bureaucracies and their proposed solutions. We may now contrast in some general terms the methods of controlling the bureaucracy in the Maoist and post-Mao eras and predict the likely consequences of the latest attempts to deal with bureaucratism.

During the Maoist period, because the chief objective in controlling the bureaucracy was to prevent the office-holders from taking advantage of their power positions to perpetuate inequality in the society and to pervert policy implementation, the bureaucrats' behavior was the main target of the controlling devices. In the post-Mao period, the objective changed from one of achieving political stability to an emphasis on the four modernizations in which the bureaucrats' loyalty and then their performance on the job become the main targets of reform. In both eras, the leaders used a combination of rational ap-

proaches, but with important differences. During the Maoist period, the rational approach concentrated mainly on structuring supervisory procedures and organizations, and the radical approach relied chiefly on political mobilization and ideological indoctrination.⁴⁶ During the post-Mao period, the rational approach follows closely the Weberian concept of ideal-type bureaucracy, with emphasis on professionalization, division of labor, functional specialization, and well-defined rules and procedures. The radical approach, used mainly in the first stage of the anti-bureaucratic campaign, retained but a trace of communist polemics, and adhered chiefly to the socialist tenet of democratic centralism.

Anthony Downs' theory of organizational behavior has been invoked by some scholars in the past to explain the failure of Mao to control the bureaucracy.⁴⁷ In trying to predict the prospects of the present leaders to change the Chinese bureaucracy, we may be better served by taking into account the existing social and economic structures in the organizational environment. We would argue that the present leaders are unlikely to eliminate some of the features of bureaucratism as long as the existing social and economic factors remain constant.

During the Maoist era, the social and economic structures retained much of the legacies of traditional China—lack of social mobility, high levels of unemployment, and low levels of technical skill and capital investment. As a result, the bureaucracy offered a rare degree of security and prestige for those who were recruited into it, and they were not likely to give up their privileges without resistance. In spite of impressive growth in the industrial sector since the communist takeover, the Chinese economy could not generate enough jobs to absorb the ever-increasing number of middle school and high school graduates. Employment and social mobility, thus, remain as unresolved issues. But the present social and economic structures also carry the legacy of the Cultural Revolution, during which time many lower-level bureaucratic positions in both party and government were opened to the young people from rural and poor urban backgrounds. Many leaders then and now, be they radicals or moderates, support this policy for a variety of reasons. For one thing, few leaders would repudiate the need to open opportunities for the socially disadvantaged and the poor because they are aware of the price of social discontent. For another, it is always easier to place the unskilled in the lowest level of a government organization than in a factory, especially if the government department happens to deal with such general tasks as social relief, welfare, and cooperatives. The lack of productivity of a government bureaucrat is also more easily disguised than that of a factory worker.

Even though since the arrest of the Gang of Four people from rural and poor urban backgrounds are no longer given priority in employment, there has been no massive expulsion of such people from the government or party organizations. This suggests that the present

leaders are mindful of the fact that to turn the Cultural Revolution generation of bureaucrats loose is likely to create more political and social difficulties than the rationalization of the bureaucracy would compensate for. While the present leaders may lament publicly about the overstaffing in their bureaucracies, they are constrained by social and political considerations to retain the less-qualified bureaucrats hired during the Cultural Revolution as well as to rehire and rehabilitate many older cadres who were dismissed during the Cultural Revolution. Ye Jianying revealed in 1978 that there were 2.3 million cases of cadres and technicians victimized by the Gang who needed to be liberated.⁴⁸ The retirement of old cadres may not be fast or large enough to prevent the Chinese bureaucracy from becoming more bloated than ever before.

The situation within the party organization is also not encouraging. Deng said in 1980 that there were about 38 million party members in China; in 1962, Mao spoke of a party membership of 17 million.⁴⁹ The size of the Chinese Communist Party has therefore more than doubled in eighteen years. It seems that the Gang of Four and their supporters were responsible for the recruitment of a large number of their adherents into the party in order to boost their strength. It has led Deng to question the qualification of two types of members in the party: (1) those who entered the party under what Deng called "extreme leftism" policy; and (2) those old members who "adhered to factions and thus could not be an example for the people."⁵⁰ But Deng did not suggest their immediate expulsion from the party either. Instead, he wanted more professionally qualified people to lead the party and to prevent the future entrance of extreme leftists into the party.

Many of the means employed by the present leaders to control bureaucratic problems seem to work at cross purposes with each other and may eventually generate even greater tension within the Chinese bureaucracy and society as a whole. For example, the emphasis on technical expertise as a necessary qualification for bureaucrats appears to conflict with their socialist impulse for democratic populism. The former necessarily puts the experts above the masses, while the latter calls for popular control of the bureaucrats through election; the former espouses elitism while the latter egalitarianism; the former restricts opportunities while the latter opens them. The leaders try to reconcile these contradictory tendencies by arguing that given the freedom of choice, the masses will want a technical expert over a political ideologue. But the political experience in the U.S. alone has demonstrated amply that democratic populism and meritocracy are conflicting values that cannot be satisfied simultaneously. Under Jacksonian democracy, we had tried the election of bureaucrats who turned out to be neither competent nor popularly responsive. The Civil Service Act that followed illustrates that meritocracy can be achieved only at a certain cost to egalitarianism, as subsequent remedial measures such as affirmative action suggest.

Second, the Chinese are pushing for decentralization while condemning factionalism. But decentralization creates two separate problems. It is by no means the case that decentralization is always welcomed by bureaucratic leaders. For some bureaucrats who have been accustomed to the exercise of authority and the making of independent decisions, decentralization is feared because it places the burden of responsibility on them. In such cases, decentralization is counterproductive to rationalization because organizations under such leadership tend to be less rather than more efficient. On the other hand, decentralization tends to encourage factionalism because it allows bureaucratic leaders broad powers in economic planning and administrative hiring. Under decentralization, local units have to rely on their own resources to meet many administrative expenses but at the same time have greater freedom to allocate their resources to their best interests. It is difficult for the center to obtain compliance from the lower-level functionaries if central policy should conflict with local interests. Factionalism, which manifests itself in a variety of forms of excessive local independence, is in the present case the result of a decentralized bureaucratic structure. Trimming personnel in a decentralized bureaucracy is also difficult. Bureaucratic leaders, after all, are loathe to undercut their own positions by the elimination of subordinates, especially if they have the potential to cause political troubles later on. Not surprisingly, therefore, some of the leaders did not cooperate freely during the anti-bureaucratic campaign when they were told to remove cadres suspected of having connections with the Gang of Four. For the same reasons, one can predict that these leaders would lack enthusiasm for the proposal to recruit basic-level cadres through popular election, even though the rationale for such a proposal is the further strengthening of decentralization.

Third, the increasing emphasis placed on youth and professionalism can only generate tension within the bureaucracy and society. Within the bureaucracies, the old cadres who are urged to retire to make room for the younger professionals may feel betrayed by the leaders whom they have helped to come to power and whom they have supported in more difficult times. The Cultural Revolution generation of bureaucrats, whose prospects for promotion are dim and whose status becomes increasingly lowly as greater prestige is accorded to expertise, will no doubt resent the younger but better-trained cadres who are promoted over their heads in spite of their seniority. They are likely to be the scapegoats in future shakeups if the goals of the four modernizations are not soon realized. Within the society, the achievement-oriented policies have already produced a scramble for educational opportunities among the young, and will no doubt widen the gap between the urban professional class and the rural poor.

Thus, the present Beijing leaders may find that in spite of their commitment to improve administrative capabilities in their bureaucracies, they are unable to institutionalize a legal-rational type of

bureaucratic organization because of political and social constraints. Furthermore, their drive to professionalize the bureaucracies may push them further away from the socialist goals of egalitarianism, in which case they may have to engage in a new search for a workable balance between politics and administration.

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NOTES

1. *Renmin Ribao*, October 25, 1977.
2. The Hong Kong *Ming Pao* quoted a Chinese official as admitting that it was a common practice in Beijing for parents to bribe officials so that their children would be exempted from being sent to work in the countryside. Officials were also reported to have accepted bribes to arrange for changes in work assignments. See *Ming Pao*, June 28, 1977. (All dates for *Ming Pao* refer to its North American edition.) Another *Renmin Ribao* editorial exposed a former deputy secretary of the Honan Provincial Committee for embezzlement of public funds, a practice that appeared to be widespread at the time and had been euphemistically referred to in the Chinese press as "looseness in financial discipline." See *Beijing Review*, No. 50, December 15, 1978, p. 14, and *Ming Pao*, April 13, 1978.
3. A *Liberation Army Daily* editorial reprinted in *Ming Pao*, January 12, 1978.
4. *Ibid.* Also *Ming Pao*, June 19, 1978.
5. *Ming Pao*, August 23, 1979.
6. *Ming Pao*, June 19, 1978.
7. *Ibid.*
8. A *Renmin Ribao* editorial reported in *Ming Pao*, March 23, 1978.
9. *Ibid.*
10. *Renmin Ribao*, December 7, 1978.
11. *The Washington Post*, March 12, 1979. Interviews conducted by this writer in Guangzhou in the summer of 1980 also confirmed this report.
12. One informant gave the figure of 10,000 Chinese killed in this war. Others confirmed that the casualties were large enough to discourage many young peasants from joining the PLA these two years.
13. *The Washington Post*, May 3, 1979.
14. The New China News Agency quoted Vice-Premier Kang Shi'en as saying, "The four modernizations cannot be bought nor borrowed." The omnipotence of bonuses to the neglect of the role of political awareness was also criticized. See *The Washington Post*, March 17, 1979.
15. *The Washington Post*, March 1, 1979.
16. *The Washington Post*, May 3, 1979 and May 8, 1979. It was around this time that the Chinese brought back to the Politburo the aging economic expert Chen Yun who appeared to favor more cautious economic growth.
17. Three high-level officials who were closely identified with the Cultural Revolution were ousted in March 1979. They were: Wang Dongxing, Ji Dengkui, and Wu De. See *The Washington Post*, March 25, 1979.
18. Jay Matthews of *The Washington Post* argued that there did not appear to be a major anti-war faction in the Beijing leadership because few leaders who were shown evidence of suffering by Chinese living on the border area with Vietnam could argue against the invasion. The dispute among leaders was over other issues, such as the amount of freedom of expression allowed, but especially over political purges and economic priorities. See *The Washington Post*, March 13, 1979.
19. *Ibid.*
20. *Beijing Review* only reported part of Hua's speech. (See *Beijing Review*, No. 25, June 22, 1979, p. 12.) But the *Ming Pao* reported his more severe criticism of bureaucratic shortcomings. See *Ming Pao*, June 26, 1979.

21. *Ming Pao*, June 26, 1979.
22. The text of this speech has not been officially published by the Chinese, but the *Ming Pao* published it in installments on March 2, 3, 4, and 5, 1980. Its authenticity is beyond question.
23. *Ming Pao*, March 4, 1980 (author's translation).
24. *Hongqi*, No. 11, June 1, 1980, p. 8.
25. *Ibid.*, p. 9 (author's translation).
26. *Hongqi*, No. 16, August 15, 1980.
27. *The Washington Post*, August 31, 1980.
28. *Beijing Review*, No. 43, October 21, 1977, p. 10.
29. This important speech at an enlarged central work conference on January 20, 1962 had circulated in the West since the Cultural Revolution as part of the unofficial red guard document *Long Live the Thought of Mao Tse-tung*; it is included in Stuart Schram (ed.), *Chairman Mao Talks to the People* (New York: Pantheon Asia Library, 1974.) It was published in the *Beijing Review*, No. 27, July 7, 1978.
30. *Renmin Ribao* editorial published in the Hong Kong *Ta Kung Pao*, November 28, 1978.
31. *Ibid.*
32. *Ming Pao*, June 26, 1979.
33. *Beijing Review*, No. 28, July 14, 1980, p. 3.
34. *Renmin Ribao*, December 7, 1978.
35. *Beijing Review*, No. 26, June 30, 1980, p. 26.
36. For an account of the educational changes after the death of Mao, see Suzanne Pepper, "Chinese Education After Mao: Two Steps Forward, Two Steps Back and Begin Again?," *The China Quarterly*, No. 81, March 1980, pp. 1-65.
37. *Beijing Review*, No. 28, July 14, 1980, p. 3.
38. *Ming Pao*, March 4, 1980 (author's translation).
39. *Beijing Review*, No. 26, June 30, 1980, p. 28.
40. *Beijing Review*, No. 32, August 11, 1980, p. 7.
41. The Hong Kong *Ta Kung Pao*, August 4, 1980.
42. *Ming Pao*, September 4, 1980.
43. *The Washington Post*, September 8, 1980.
44. *Hongqi*, No. 16, August 15, 1980, pp. 5-6.
45. *Hongqi*, No. 11, June 1, 1980, p. 10.
46. I am indebted for this interpretation to Harry Harding Jr., whose book *Organizational China* (Stanford: Stanford University Press, forthcoming, 1981) explicated this idea and its implications in Chapter II, "The Organizational Heritage of the Chinese Communist Party."
47. See for instance Richard Baum's explanation of the failure of the socialist education campaign in 1962-1965 in *Prelude to Revolution: Mao, the Party and the Peasant Question, 1962-1966* (New York: Columbia University Press, 1975.)
48. *Ming Pao*, June 19, 1978.
49. Deng's speech in January 1980. See *Ming Pao*, March 4, 1980, and Schram, *Chairman Mao Talks*, p. 179.
50. *Ming Pao*, March 5, 1980 (author's translation).

THE INDIAN OCEAN AS A ZONE OF PEACE: PROBLEMS AND PROSPECTS

B. Vivekanandan

TEN YEARS AGO, on December 16, 1971, the UN General Assembly adopted a resolution declaring the Indian Ocean "for all time as a zone of peace." Earlier, in September 1970, the Lusaka Conference of the nonaligned countries had adopted a declaration "calling upon all states to consider and respect the Indian Ocean as a zone of peace from which great power rivalries and competition as well as bases conceived in the context of such rivalries and competition, either army, navy or airforce bases, are excluded. The area should be free of nuclear weapons."

When the UN General Assembly passed the resolution in 1971, the strategic environment in the Indian Ocean and in the adjoining region was not so complicated as it is today, although following British Prime Minister Harold Wilson's announcement on January 16, 1968 that his country would withdraw its forces from all areas east of Suez except Hong Kong, there were indications that other naval powers, especially the Soviet Union, had already made plans to move into the Indian Ocean and establish their presence there. The Soviet Union had launched a major program of naval expansion with a view primarily to increasing its naval presence in the Indian Ocean on the thin argument that the Indian Ocean constituted a vital domestic communication route for the USSR.

This was a new element that had the potential to complicate the situation in the Indian Ocean. According to S. Koslov, the Novosti Press military correspondent:

In view of its geographical position, the USSR needs a large fleet in order to maintain the necessary internal contacts with remote parts of the country. Vitrally important communication routes linking the European with Asiatic and Far Eastern parts of the USSR pass through the Mediterranean and across the Indian Ocean. It is quite clear that the existing land routes cannot be any substitute for these more economic and convenient sea routes.¹

It is obvious from this argument that this line had been carefully drawn as an independent strategy for justifying a permanent naval presence in the Indian Ocean whatever the objective situation in this area or the opinion of the countries concerned, including the littoral countries. Indeed, the Soviets had commenced their drive as early as 1967, when their strategic publication *Military Strategy* for the first time included South and Southeast Asia in the Soviet sphere of interests and in its search for new facilities for Russian naval vessels along the shores of the Indian Ocean. In February 1968 the Soviet naval chief, Admiral Gorshkov, visited the Indian naval establishments in Bombay and Visakhapatnam. In March 1968 a Soviet flotilla called at a number of ports in India, Sri Lanka, Iraq, Somalia, and South Yemen. The Soviet naval presence in the Indian Ocean became quite spectacular when, in January 1971, a number of Soviet warships passed through Singapore as if they meant to parade their strength before the Commonwealth Prime Ministers then in conclave there.

These determined efforts by the Soviet Union to expand its naval operations in the Indian Ocean do not seem to have been anticipated by Britain when it decided to withdraw from all areas east of Suez. However, as a declining power with reduced resources, Britain could do little by itself to counter the Soviet move in any meaningful manner. Taking the growth potential of the Soviet Navy into account, it realized that, as in Western Europe, the only effective answer to the growing Soviet naval activity in the Indian Ocean was to ensure the firm involvement of the U.S. navy in the Indian Ocean. As a first step it decided to develop Diego Garcia jointly with the U.S. into a naval communication center. Before agreeing to a further expansion of facilities in Diego Garcia, however, it made an effort to see if a viable security arrangement involving littoral countries like India could be worked out for the Indian Ocean. Sir Alec Douglas-Home, the Foreign Secretary, visited India in February 1972 with a view to ascertaining if the littoral countries, and especially India, would be willing to participate in such an arrangement. When he found that the response was negative, Britain agreed to a U.S. proposal for a further expansion of facilities in Diego Garcia.

Both superpowers now enjoy naval facilities at different points of the Indian Ocean. In the western section, which is of special strategic importance, the United States has naval facilities in Diego Garcia, Berbera (Somalia), and Mombasa (Kenya), while the Soviet Union has facilities in Aden and the Socotra Island (South Yemen), Umm Qasr (Iraq), and the Dahlak Island in the Red Sea. The Soviet Union also maintains a large network of "mooring buoys" all over the Indian Ocean as rendezvous points for its warships. It is estimated that the two superpowers keep about thirty naval vessels each in the Indian Ocean. Other countries maintaining a significant naval presence in the Indian Ocean are Britain, France, and, more recently, West Germany.

For different reasons the Indian Ocean region is an area of vital

interest for many important countries. While some of these interests are a legacy of traditional connections, others are a fallout of the major changes that have occurred in the strategic perspective of the world in recent years. Britain, for example, has wide-ranging economic interests in the region. About one-third of its total foreign private investments (worth 28,870 million pounds) is located in the areas adjoining the Indian Ocean.² The Indian Ocean constitutes a major junction of sea communication. For countries like Australia, Britain, China, France, India, Japan, the United States, West Germany, etc., all their major supply lines of oil, foodstuffs, and raw materials pass through the Indian Ocean. Indeed, for economic, political, and military reasons, the Indian Ocean assumes vital importance for the littoral countries—Australia, Burma, Bangladesh, India, Indonesia, Iran, Pakistan, Sri Lanka, etc.—and also for Britain, China, France, Japan, the United States, and the Soviet Union. In fact, each one of them considers the Indian Ocean region as an area vital to its security and economy.

In a strategic sense, the Indian Ocean region first assumed exceptional importance in the 1970s. The oil crisis of 1973 and its ramifications sent shock waves around the world. The industrial nations of the West saw how, in an economic war, the oil in the Middle East and the Gulf could be used as a most potent weapon against all the oil-dependent countries, whether in the East or in the West, and reduce them to thralldom. Indeed the developments of 1973 and after revealed how vital the oil supplies from the Indian Ocean region were for the industrial West and how vulnerable the West is to oil pressures. This realization encouraged the Soviet Union to make a determined effort to gain control over the oil sources in the Middle East and the Gulf and thereby, if possible, to throttle the West slowly to submission.

There is no doubt that the Indian Ocean is a major source of petroleum today. The Persian Gulf, the Middle East, Northeast Africa, and Indonesia together hold about three-fourths of the known oil deposits of the world. The shipment of oil through the Indian Ocean and access to oil in the region on equitable terms has, therefore, become a most vital strategic question for all Western countries and for many other important oil-importing countries. And the major threat to these countries seems to emanate from the Soviet Union. According to Lord Home: "The eye of the Soviet Union is always on oil, for the Russians know that for the next 30 years the United States will be dependent on the Gulf area for a large part of its supplies; while Germany will be even more so, and all Western Europe is very vulnerable."³ Similarly, most of the industrially developed countries of the West also depend on the region for their supplies of important, even vital, raw materials and minerals like bauxite, copper, iron, manganese, phosphates, thorium, tin, uranium, etc. The region also holds substantial deposits of gold. It would appear that the inroads the Soviet Union has made in Africa in the guise of extending support to liberation struggles there by using surrogates such as the Cubans are aimed mainly at control of the mineral wealth of Africa. The Soviet Union is fully aware of the vulnerabil-

ity of the West on these counts and seems to be engaged in a resolute effort to have a voice in the supplies of all items from the region on which it is not itself dependent. This accounts for the overwhelming interest of the West in forestalling any Soviet attempt to gain control over the supplies of any of these items from Asia or Africa. These factors have added a new dimension to the strategic environment in the Indian Ocean region.

The politico-economic and military advances that the Soviet Union has made in the Indian Ocean region during the past decade have introduced new complications in the security perspective of the region. Since 1971 the Soviet Union has concluded "friendship" treaties with a number of nonaligned countries on the Indian Ocean littoral and in the hinterland—Afghanistan, Ethiopia, India, Iraq, Mauritius, Mozambique, Tanzania, etc. In the Middle East alone it has "friendship" treaties with five countries. Except in a few cases, these "friendship" treaties have afforded the Soviet Union a convenient means by which to control the domestic and foreign policies of those littoral countries. The treaties have reduced some of these countries to the status of client states, and pushed them irrevocably into the Soviet orbit. Indeed, in most cases the treaties have put direct and indirect limits on the freedom of the littoral countries, so much so that in spite of being nonaligned, they are no longer able to take any position in world politics against the Soviet Union even if the merits of a particular case incline them to do so. Besides, these "friendship" treaties reflect the pattern of relationships that the Soviet Union wants to develop in Asia and Africa. The Soviet Union has significantly increased its economic and military aid to a number of countries of the region with a view to tightening its grip over them and weakening or destroying the influence of the West. The Soviet navy seems to have been designed as an instrument in this task. According to Admiral A. K. Chatterji, a former Chief-of-Staff of the Indian navy: "The Soviets are using their navy in a classic way for applying the necessary military, political and economic pressures to the countries of the Indian Ocean littoral."⁴ And the Soviet Union's use of surrogates such as the Cubans in the guise of "liberation forces" has served to tighten its grip over the new nations of Africa.

How effective these "friendship" treaties could be as trip-wires of domination and intervention and how they could be used to overrun sovereign nations is clear from the manner in which the Soviet Union intervened in Afghanistan in December 1979, exactly a year after it had signed a "friendship" treaty with that country. What is noteworthy in the context of the present study is that when the Soviets found that President Hafizullah Amin was thinking in terms of terminating the Soviet-Afghan "friendship" treaty and asking the Soviets to leave Afghanistan, the Kremlin unilaterally invoked a convenient provision of the "friendship" treaty and occupied Afghanistan, spreading the spurious story that the Soviet army had entered Afghanistan at the invitation of President Amin. To ensure that the truth never came out, the army of occupation stifled the voice of Amin at the earliest oppor-

tunity. Even then a closer scrutiny of the available evidence clearly shows that there is no truth in the Soviet claim that its army was invited by President Amin. The story seems to have been planted as part of a futile Soviet attempt to mislead the world into believing that there was some legal basis for the Soviet intervention in Afghanistan.⁵

The Soviet intervention in Afghanistan has tremendous implications for the security of the Indian Ocean region. It has shown above all that the Soviet scheme to expand its frontiers by the use of force is still in operation. In the history of the modern world, Russia/the Soviet Union is the only country with an unbroken record of continuous territorial expansion over three-and-a-half centuries. The Revolution of 1917 does not seem to have made the slightest difference to Russian expansionism. Unlike other imperial powers, which have gone through the process of expansion and contraction, Russia has expanded its frontiers all along and in all directions and has systematically consolidated its gains. From Europe it moved first towards the east until it annexed all territories up to the shores of the Pacific Ocean in 1638. Then it moved northwards in Siberia in the nineteenth century. By 1884 the Russian Empire extended as far as the northern borders of Afghanistan. World War II helped the Soviet Union in expanding further and in consolidating its position in Eastern Europe.

The Soviet Union started making inroads into the Arab world from 1956 onwards. It has sought to entrench itself deeply in West Asia, South Asia, Southeast Asia, and Africa. In 1979 it occupied Afghanistan, the vitally important buffer state between the Soviet Union and the Indian subcontinent. And it looks as though it was deeply interested in destabilizing Pakistan and in opening a land corridor to the Indian Ocean through Baluchistan. Certainly such a design was clear from the warning Soviet Foreign Minister Andrei Gromyko administered to Pakistan in February 1980 during a visit to New Delhi. From the Soviet point of view the opening of a land corridor to the Indian Ocean is of great strategic importance since otherwise, in the event of a war, the West can effectively check Soviet naval operations by controlling various choke-points such as Helsingor, Skagerrak, the Bosphorus, the Dardanelles, Gibraltar, Suez, the Malacca Straits, the Panama Canal, and the Tsushima Straits, and bring the operations of the Soviet navy to a grinding halt. A direct opening to the Indian Ocean through Baluchistan, however, can more than make up for such action, and in fact is the only corridor through which the Soviet Union can hope to reach the Indian Ocean quickly and circumvent the effects of choke-points under the control of the West. The scheme, therefore, clearly exists, and it would be foolish to underestimate the Soviet determination in the matter. What is not clear, however, is the time-frame drawn by the Kremlin to achieve this objective. However, as Asoka Mehta rightly put it: "Russia's moves across the Asian chess-board have been shrewd, expertly executed, and effective. It commands influence in regions—West, South, and South-East Asia—that the Czars had never dared to dream."⁶

The Soviet advances in the Indian Ocean region have created a new situation in Indian Ocean politics in recent years. With the Soviet occupation of Afghanistan, the Soviet forces are only about four hundred miles away from the vital oil region of the Gulf, posing a major threat to access to oil from the Gulf and oil shipments through the Straits of Hormuz. There is a similar Soviet threat to the supplies of raw materials and minerals from Africa to the West. From the point of view of the countries of the West, therefore, the most crucial thing for the safeguarding of their interests in the Indian Ocean region is to frustrate the Soviet effort to gain control over the region or over any strategic part of it such as the Gulf. Undoubtedly maintenance of free access to the region's petroleum supplies is of paramount importance to all oil-dependent nations. The interests of the industrialized nations of the West would be damaged if the Soviets were either to gain control over oil supplies from the Middle East or to be in a position to disrupt the communication channels through the Indian Ocean in times of crisis, and the West would be ruined if an economic war were fought with the Gulf under Soviet control.

It may be noted that the Soviet Union as the largest producer of oil (18% of world production) has encouraged the price hikes ordered by the Organization of Petroleum-Exporting countries (OPEC), and has been one of the highest beneficiaries of those hikes. It does not need to import oil, but it did obtain oil from Iraq in exchange for arms and sold it to Europe at high prices. Indeed oil has been the principal medium of repayment for Soviet assistance to industrial projects in Iraq and for Soviet arms supply to that country. However, it is said that in the 1990s the Soviet Union too may have to depend upon imported oil, and it is certainly not the kind of nation to hesitate to apply pressure and bully the oil-producing countries of the Middle East if they hesitate to provide oil on acceptable terms. There is, therefore, a distinct possibility of intense Soviet involvement in the politics of the Gulf in the future.

An important preoccupation of the Soviet Union seems to be to gain recognition as a dominant Asian power with a decisive voice in the management of affairs in Asia in general and in the Gulf in particular, and to hasten the decline of Western influence in the region. One of the dimensions of the Soviet plan for a system of collective security in Asia as outlined by Brezhnev in his address to the International Meeting of Communist and Worker Parties in Moscow on June 7, 1969 is to bind Soviet relations with the various countries of Asia with a security cord so that eventually, as the most powerful state with an Asian face, the Soviet Union may establish a hegemonistic relationship with them. Of course, the Soviet Union has sought to demonstrate everywhere its own status as a dominant global power with an ever-widening sphere of interests. If, somehow, the Western presence is simultaneously eliminated, the local rivalries in the strategically important Gulf region would give the Soviet Union ample opportunities to establish a firm foothold in the region, especially given the additional advantage of the geographical proximity of the Soviet Union to the Gulf. While it is true that the Soviet

Union has yet to establish a firm foothold in the region, despite its new ties with Iraq and Kuwait, it may be able to do so once its naval buildup in the Indian Ocean becomes formidable or once it gains a land-based access to the Indian Ocean near the Gulf. However, the Soviet Union has, by now, acquired a status in the politics of the Gulf that makes it a factor in the decision-making process of the countries of the Gulf and the Middle East.⁷ The apprehension is that if the Soviet domination becomes a fact of life, it may lead to a new process of self-Finlandization of the weak Gulf states, one after another. Perhaps by its intervention in Afghanistan, the Soviet Union has made a very significant advance in the process of throwing its military might around and applying real pressure on the oil-producing Gulf states.

It is to be noted that during the past decade considerable change has taken place in the power position of the Soviet navy in the Indian Ocean and its use as an instrument of diplomacy in the Indian Ocean region. The Soviets had hardly rated as a naval power in the 1950s or used their navy as a coercive instrument of diplomacy in the region because of the lack of a credible capability. That, however, is no longer the position today. Not only has the Soviet navy increased its capabilities by means of a massive, long-term naval development strategy, but the Soviet Union has also used these capabilities more actively in support of its foreign policy. Ever since the Soviet warships moved into the Indian Ocean in 1968, there has been a steady increase in the size of the Soviet naval presence, and there is every reason to believe that a sizeable portion of the newly built Soviet warships would be deployed mainly in the Indian Ocean. It is estimated that the Soviet Union produces about ten oceangoing surface warships every year. In 1980 the Soviet Union launched thirteen new submarines, nine of which were nuclear powered, including one of the colossal *Oscar* class and another of the *Typhoon* class.⁸ That the Soviet Union spends as much as 14% of its GNP on defense shows that militarism is rampant in the Soviet Union.

The massive Soviet naval program and the ever-increasing politico-military activity of the Soviet Union in the Indian Ocean region have made it abundantly clear that the aim of the Soviet Union in the region is to dominate it. This is a new situation, one which is radically different from the situation that obtained in 1971 when the UN General Assembly first passed the resolution declaring the Indian Ocean a zone of peace. Although the littoral countries are broadly in agreement with the concept of a peace zone in the Indian Ocean region, their approaches to the presence of the big powers differ. This is clear from the attitudes of two important littoral countries—Sri Lanka and India. The two have taken a leading role in the effort to make the Indian Ocean a zone of peace. However, while Sri Lanka sees danger in the increasing Soviet presence in the Indian Ocean, India under Indira Gandhi thinks that Colombo's fears are exaggerated. While Sri Lanka views both the superpowers with apprehension, the Indian attitude is, or has tended to be, soft towards the Soviet Union.⁹ However, even in

India there was a shift in the attitude towards the question between 1977 and 1979 under the Janata Government headed by Morarji Desai since his government seems to have shown a greater awareness of the dangers posed by the Soviet naval activity in the Indian Ocean. In the Indian Parliament on July 14, 1977 Desai said the "there is the race between two powerful nations. It is from that we have to save Asia and that is what we are engaged in."¹⁰ This balanced approach, however, has since been modified with the return of Indira Gandhi to power in 1980. The "tilt" towards the Soviet Union now seems to have been restored.

There are also differences between India and Sri Lanka over the basic peace zone concept itself. While Sri Lanka wants the Indian Ocean region to be a nuclear-free zone, India, for obvious security reasons, disapproves of this proposal. The fact that China possesses atomic weapons is a major constraint militating against any unilateral abandonment of nuclear options by India. At the UN Special Session on Disarmament, Prime Minister Desai said on June 9, 1978 that "it is idle to talk of regional nuclear free zones when there would still be zones which could continue to be endangered by nuclear weapons. Those who have such weapons lose nothing if some distant area is declared non-nuclear. The nations without nuclear capacity who imagine that their inclusion in such zones affords them security are suffering from delusion." And he added: "We are convinced that there cannot be a limited approach to the question of freedom from nuclear threats and dangers, but the whole world should be declared a nuclear-free zone."¹¹

One of the most unrealistic elements in the perception of those campaigning to get the Indian Ocean region recognized as a peace zone is their attempt to detach the Indian Ocean from the global strategic map, unmindful of the Indian Ocean's strategic importance to global security, and accord it separate treatment. It is something like a repeat performance of President Tito's attempt to demilitarize the Mediterranean when the navies of the big powers began to shadow each other there. The recent revolutionary changes in weapons technology have rendered the globe so small that is highly impracticable to seek to insulate any particular region as a permanent zone of peace. Moreover, in view of the Soviet claim that it has a right to use the Indian Ocean as an economical communication route between its Asian and European parts, one cannot foresee a situation in which the Soviet navy would be absent from the Indian Ocean altogether. The Soviet Union's plans for the future indicate that its growing navy will find an easy outlet into the warm waters of the Indian Ocean. Once in the Indian Ocean the Soviet Union would play more politics with the relatively weak Indian Ocean littoral states than would other countries with a view to undermining the interests of the West in the region.

Of course, in the strategic perceptions of the littoral states and those of the superpowers themselves there exists a hiatus. Despite détente and SALT, the superpowers have not abandoned their plans to

encircle each other. Undoubtedly, from a global strategic point of view the Indian Ocean offers exclusive advantage to the Western powers over the Soviet Union since the Trident-1 submarine-launched missiles from the Indian Ocean can hit the Soviet industrial areas of southern Russia. From that angle Western naval presence, especially that of the United States and Britain, in the Indian Ocean can deter the Soviet Union with increasing efficiency from undertaking any adventure and simultaneously reduce Soviet naval pressures in other waters also. Significantly the Indian Ocean provides no similar advantage for the Soviet Union since it cannot operate from there against any U.S. or Western European targets. In a realistic analysis of the situation one cannot overlook this important factor either. The demand, therefore, to keep the Indian Ocean free from the British or U.S. military presence, although it has emanated from some littoral countries from an entirely different perspective, could in effect be of help in meeting the strategic needs of the Soviet Union.

It should be conceded that a demilitarization of the Indian Ocean is impossible without the willing cooperation of the two superpowers. However, the overall attitude of the superpowers indicates that in any real sense their cooperation in this respect would not be forthcoming. Both of them abstained from the vote on the question in the UN General Assembly. Their talks in Moscow, Washington, and Bern on the proposal to make the Indian Ocean a zone of peace reveal that they have no intention of keeping their navies out of the Indian Ocean. Nor are they going to keep the Indian Ocean a nuclear-free zone. Indeed, during those talks they indicated that their immediate objective was not to dismantle the existing facilities (including those on Diego Garcia) but to limit their military activity in the Indian Ocean.¹² While the United States wanted to freeze the deployment of the military might of the superpowers at the present level, the Soviet Union wanted U.S. nuclear vessels not to enter the Indian Ocean region.¹³ The Soviet Union and the U.S. then rejected each other's demands. However, it looks as though the talks between the superpowers not only formalized the existing situation but also bilateralized the question of their naval activity in the Indian Ocean at a time when the littoral countries are trying hard to multilateralize it through the United Nations.

Perhaps it would have been possible to free the Indian Ocean from the large-scale naval deployments of the big powers if the littoral states had, working as a moral force also, acquired reasonable naval capabilities and expressed their readiness to shoulder the responsibility of ensuring unfettered freedom of navigation through the Indian Ocean in war and in peace. However, they seem to possess neither the will nor the capacity to do so. The *Military Balance, 1980-81*, shows that Iran has three destroyers and four frigates; Pakistan: six submarines, one light cruiser, six destroyers, and one frigate; Bangladesh: two frigates; Burma: two frigates and 36 gunboats; Indonesia: four submarines, seven frigates and three corvettes; and India: eight submarines, one aircraft carrier with a capacity of 22 aircraft, one cruiser,

29 frigates, and four corvettes.¹⁴ The navies of other littoral states consist mainly of patrol and coastal craft. In power terms, therefore, they hardly count. There is little chance of all these navies acting in unison, and even if they did so, they would hardly be able to guarantee freedom of navigation through the Indian Ocean in times of crisis. Nor can they hope to match the presence of any single superpower.

The Soviet occupation of Afghanistan in December 1979, which, according to President Jimmy Carter, "could pose the most serious threat to world peace since the second world war," changed the strategic situation in the Indian Ocean region overnight.¹⁵ It is true that since World War II the Soviet Union had never spared any opportunity to make full use of its military strength to achieve its political and ideological objective throughout the world. Although it had been trying in a surreptitious manner to widen its influence among the Asian and African nations since 1956, the Soviet occupation of Afghanistan is the first example in the post-war years of its use of military and airforce to occupy a strategically important, nonaligned Asian country—a country that had served for centuries as an effective buffer between Russia/the Soviet Union and the Indian subcontinent. According to the *Strategic Survey*, 1979: "The Soviet Union's demonstrated readiness to use her forces to create political *faits accomplis* beyond her borders would overshadow relations with other countries as well. Repeated unsubstantiated accusations against Pakistan, China and Iran of providing the Afghan rebels with weapons could foreshadow a Soviet attempt to use force against these countries."¹⁶

Eight years ago, in 1973, in a ponderous article on the security environment in the Indian subcontinent, Robert Jackson wrote in *International Affairs*:

The Soviet Union is still pent up behind the geographical barriers erected around the sub-continent against the Tzars by the British Empire. Russia and Pakistan are still separated by that carefully negotiated strip of Afghan territory that gives Afghanistan a common frontier with China. And beyond the Wakhan strip, Pakistan and Pakistan occupied Kashmir interpose another barrier between India and Russia.¹⁷

What the Soviet Union sought to accomplish in December 1979 through its occupation of Afghanistan was to destroy this geographical barrier, which according to Jackson had insulated the Indian subcontinent effectively from Soviet incursions, and to make the possibility of the Soviet Union establishing a "continental" contact with India more distinct and immediate than ever before.

The Soviet occupation of Afghanistan has grave implications for the security of the Indian Ocean region and the interests of the various countries that heavily depend on the region for their vital supplies. However, strategically speaking, the Soviet intervention in Afghanistan is a clear indication of the ascendancy that the Soviet Union has established in Asia by its growing militarism.

It also points to the Soviet ambition to dominate the Gulf and the

Indian Ocean region. U.S. determination to vigorously counter the Soviet's moves was made explicit by President Carter when he said: "Any attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States. It will be repelled by use of any means necessary, including military force."¹⁸ The same determination is manifest in the outlook of President Reagan. In view of these new developments it is inconceivable that the U.S. navy or the navies of the Western European countries would stay out of the Indian Ocean region under any circumstances as long as the Soviet threat to this region, so vital to their security, looms large. In view of the unrelenting determination of the Soviet Union to gain a firm foothold in the Gulf one feels that the Soviet effort ultimately is to grab the Middle East and its oil at some stage and throttle the West into submission. In achieving this aim the next Soviet victim would probably be Baluchistan, a province in Pakistan where a secessionist movement, led mainly by pro-Moscow communists, is quite active.¹⁹ If the Soviets succeed in stirring up the secessionist movement in Baluchistan to a high degree from their base in Afghanistan and in getting a Karmal-type of government established there, it would inevitably enable them to gain direct access by land to the Indian Ocean, upset all the present Western naval strategies against the Soviet Union, and pose a formidable threat to the supply of vital resources—oil, raw materials, and minerals—from the region to the West. As the Soviets are just about 250 miles away from Karachi and close to the Straits of Hormuz through which the oil tankers pass, there is every reason to believe that the West would not allow Moscow to establish a direct opening to the Indian Ocean through Baluchistan and would do everything to fortify Pakistan heavily against any further Soviet drive towards the South. Whatever the perceptions of the other neighboring countries such as India, it is in the overwhelming security interest of the West to continue its strategy. Indeed this strategy may strengthen India's security also inasmuch it will ensure that the Soviet connection with India would remain a safe "oceanic" connection rather than a more dangerous "continental" tie.

A realistic approach to the Indian Ocean problem will have to take into account all these factors, including the vital interests of both the littoral and non-littoral states in the region. In fact, today the Soviet factor is the principal source of apprehension for the Indian Ocean countries, littoral and non-littoral alike, as it was in Europe in the late 1940s and the 1950s. In view of the latest moves of the Soviet Union in Afghanistan and its threats to Pakistan, its intentions, contrary to the simplistic views of some of the littoral states in the region, seem to be inimical both to the littoral countries and to the Western countries. Its efforts seem aimed at having more and more client states in the region and thwarting all attempts to bring about basic changes in the security environment in Asia through such measures as the normalization of relations between India and China or between India and Pakistan, since such normalization would substantially reduce India's dependence on

the diplomatic support of the Soviet Union. However, there is no doubt that its aim is to establish the presence of its navy permanently in the Indian Ocean. This likely permanent presence of a steadily growing Soviet navy, in the absence of any other matching presence, would inevitably result in Soviet dominance of the region and would prove a threat to the freedom and independence of the countries of the region.²⁰ Moscow could on the one hand tilt the global balance of power against the Western powers, and on the other deny petroleum and other vital minerals and raw materials of the region to the West. With this new ascendancy in Asia, coupled with its surreptitious efforts to penetrate into Africa as deeply as possible, the Kremlin hopes to achieve its objective of dominating the Gulf and the Indian Ocean region. The silver lining, however, is that there is an increasing realization of this fact among the littoral countries of the Indian Ocean, especially because of the Soviet intervention in Afghanistan. And one of the overwhelming security interests of the West in the region since 1980 has been to prevent the Soviet Union from gaining access to the Indian Ocean by land through Pakistan.

As the possibility of keeping the Indian Ocean free from the activities of the big powers seems to be remote, it would perhaps be more fruitful to forestall the possibility of any single big power dominating the Indian Ocean. It is quite obvious that the attempt being made by certain countries to insulate the Indian Ocean artificially from the world strategic map seems to be an exercise in futility. It makes more sense to strive for a balancing presence of the various navies at a minimum level in the Indian Ocean so that no single navy would be in a position to pose a real danger to the stability and security of any littoral state in the region while the countries concerned are reassured that their vital interests there are not jeopardized by the dominance of any adversary in the region.

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NOTES

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2. UK, Central Office of Information, *Britain 1980: An Official Hand Book* (London, 1980), p. 370.

3. Lord Home, "The Scope and Limits of Detente," *The Year Book of World Affairs 1980* (London, 1980), p. 34.

4. A. K. Chatterji, "Soviet Strategy in the Indian Ocean," in T. T. Poulouse, ed., *Indian Ocean Power Rivalry* (New Delhi, 1974), p. 11.

5. For details see B. Vivekanandan, "Afghanistan Invasion Viewed from India," *Asia Pacific Community* (Tokyo), Fall 1980, no. 9, pp. 66-69.

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8. An *Oscar*-class submarine is 24,000 tons and has the capacity to carry out at least 20 long-range anti-ship cruise missiles capable of declining a nuclear warhead about 315 miles. A 30,000-ton *Typhoon* class is over three times the size of a *Polaris* submarine. *The Times* (London), December 17, 1980.

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19. For an analysis of the separatist movement in Baluchistan, see Selig S. Harrison, "Baluch Nationalism and Superpower Rivalry," *International Security* (Cambridge, Mass.), Winter 1980/81, 5:3, pp. 152-163.

20. In India the Jammu and Kashmir Chief Minister, Sheikh Abdullah, said in March 1981 that the Indian subcontinent is faced with "the menace of Soviet Russia" at its doorstep. After Afghanistan, he said, it would be the turn of Pakistan, and finally Russia would be on India's borders. See the *Indian Express*, March 1, 1981.

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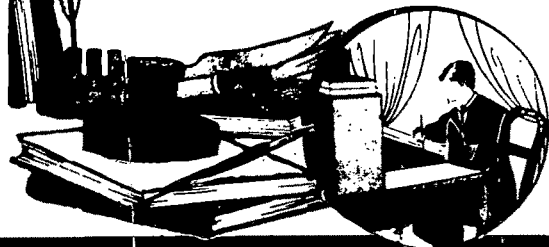
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